CITY OF NEWMAN

HOUSING ELEMENT

Adopted August 25, 1998
by
Resolution No. 98-27

RESOLUTION NO. 98-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWMAN ADOPTING AMENDMENTS TO THE NEWMAN GENERAL PLAN HOUSING ELEMENT

WHEREAS, the Newman City Council, on October 20, 1992 adopted a General Plan update of the City of Newman; and

WHEREAS, the General Plan included a Housing Element containing background information, goals, policies and standards for housing within the City of Newman; and

WHEREAS, this Housing Element was determined by the California State Department of Housing and Community Development (HCD) to be deficient in several areas of California Housing Element law; and

WHEREAS, the City of Newman has caused to be prepared certain revisions to this Housing Element to bring the document into conformity with the HCD interpretation of State law.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Newman adopts amendments to the Newman Housing Element as follows:

1. Chapter II, "Housing" of the Newman General Plan Background Report is amended to reflect the text contained in Attachment "A" of this Resolution.

2. Part II, Section III "Housing" of the Newman General Plan Policy Document is amended to reflect the text contained in Attachment "B" of this Resolution.

3. Part III, Section III "Housing" of the Newman General Plan Policy Document is amended to reflect the text contained in Attachment "C" of this Resolution.

4. Part III, Section IX "Administration" of the Newman General Plan Policy Document is amended to reflect the text contained in Attachment "D" of this Resolution.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Newman held on the 25th day of August, 1998 by Councilmember Dickey, who moved its adoption, which motion was duly seconded and it was upon roll call carried and the resolution adopted by the following roll call vote:

AYES: Martina, Radford, Marquez, Dickey and Mayor Silveira

NOES: None

ABSENT: None

APPROVED:

James E. Silveira

Mayor of the City of Newman

ATTEST:

Attachment "A"

CHAPTER II

HOUSING

INTRODUCTION

Under the requirements of state law, every city and county in California must prepare a housing element as part of its general plan. The housing element must document in detail the existing housing stock and existing and projected housing needs. Responding to these requirements, this chapter profiles Newman's existing housing, assesses existing and projected needs, analyzes resources available to meet these needs, and reviews governmental and non-governmental constraints on the production of affordable housing. Appendix B to this report summarizes special state housing requirements.

HOUSING STOCK

Housing Stock Growth and Composition

Between 1980 and 1990, according to the U.S. Census, the number of housing units in Newman increased by 44.9 percent, from 1,049 units to 1,520 units. As Table II-1 shows, Newman's annual housing growth rate fluctuated during the 1980s. Newman experienced two periods of significant housing growth: during the early 1980s, with a peak between 1981 and 1982, and recently, from 1989 to 1990, when the housing stock increased by over 16 percent. Since then, the housing stock growth rate has grown at a slower rate, with 1,645 housing units as of January 1, 1992. The recent increase is attributable primarily to residential demand created by commuters to San Francisco Bay Area employment centers.

Table II-1 and Figure II-1 show annual housing growth in Newman from 1980 to 1992 and compare Newman's annual housing stock growth to Stanislaus County's and California's. As Table II-1 shows, Newman's average annual housing stock growth exceeded the rates for Stanislaus County and California in the 1980s and through 1992.

TABLE II-1
ANNUAL HOUSING GROWTH RATES
Newman, Stanislaus County, and California
1980 to 1992

	Newman		Stanislaus Co.		California	
Year	DUs	% Change	DUs	% Change	DUs	% Change
1980	1,049	-	102,472	-	9,279,339	-
1981	1,112	6.0%	104,789	2.3%	9,429,595	1.6%
1982	1,223	10.0%	107,106	2.2%	9,550,249	1.3%
1983	1,275	4.3%	108,255	1.1%	9,632,790	0.9%
1984	1,281	0.5%	109,812	1.4%	9,753,180	1.2%
1985	1,288	0.5%	112,010	2.0%	9,935,299	1.9%
1986	1,292	0.3%	115,308	2.9%	10,164,677	2.3%
1987	1,299	0.5%	121,234	5.1%	10,414,425	2.5%
1988	1,305	0.5%	125,349	3.4%	10,708,254	2.8%
1989	1,339	2.6%	129,955	3.7%	10,966,024	2.4%
1990	1,478	10.4%	132,027	4.8%	11,182,882	2.0%
1991	1,593	7.8%	135,465	2.6%	11,339,636	1.4%
1992	1,645	3.3%	138,837	2.5%	11,471,408	1.2%
Increase, 1980-90		44.9%		28.8%		20.5%

DUs = Dwelling Units
Sources: U.S. Bureau of the Census, 1980 and 1990; California Department of Finance, 1981-1992

Newman's housing stock has historically been composed primarily of single-family homes. As of January 1992, single-family units accounted for 85.2 percent of the total units, with the remaining units distributed among multi-family units (13.5 percent), and mobilehomes (1.3 percent). Table II-2 shows Newman's housing stock and composition from 1980 to 1992.

TABLE II-2
NUMBER AND TYPE OF DWELLING UNITS
City of Newman
1980 to 1992

Year	Total	Single Family	% of Total	Multi-Family	% of Total	Mobile-homes	% of Total
1980	1,049	907	86.5%	122	11.6%	20	1.9%
1981	1,112	964	86.7%	128	11.5%	20	1.8%
1982	1,223	1,016	83.1%	188	15.4%	19	1.6%
1983	1,275	1,061	83.2%	195	15.3%	19	1.5%
1984	1,281	1,063	83.0%	200	15.6%	18	1.4%
1985	1,288	1,068	82.9%	201	15.6%	19	1.5%
1986	1,292	1,069	82.7%	204	15.8%	19	1.5%
1987	1,299	1,075	82.8%	206	15.9%	18	1.4%
1988	1,305	1,080	82.8%	207	15.9%	18	1.4%
1989	1,339	1,107	82.7%	210	15.7%	22	1.6%
1990	1,520	1,285	84.5%	214	14.1%	21	1.6%
1991	1,593	1,350	84.7%	222	13.4%	21	1.3%
1992	1,645	1,402	85.2%	222	13.5%	21	1.3%

Source: U.S. Census Bureau, 1980 and 1990; California Department of Finance, 1981-1992

Insert Figure II-1

As Table II-2 indicates, Newman's housing stock has not changed substantially in terms of composition since 1980.

The land use survey conducted in July 1990 by J. Laurence Mintier & Associates also estimated the number of housing units in the city. The survey, which tabulated housing unit totals according to slightly different categories, tallied 42 more units in Newman than the 1990 Census estimates shown in Table II-1 and II-2. This can be attributed in part to housing development which occurred during the four months from April 1, 1990, (Census date) to July 1990 when the land use survey was conducted. Discrepancies between DOF's estimates and the land use survey's estimates of multi-family units can be explained in part to differences in classification of condominium units. Table II-3 summarizes the survey results.

TABLE II-3
LAND USE SURVEY DWELLING UNIT ESTIMATES
City of Newman
July 1990

Category	No. of Units	% of Units
City Limits:		
Single-Family	1,337	85.6%
Multi-Family, 2 to 4 Units	36	2.3%
Multi-Family, 5 or More Units	152	9.7%
Mobilehomes	20	1.3%
Other[1]	17	1.1%
Total for City	**1,562**	**100.0%**
Unincorporated Study Area	193	
Total, Entire Study Area	1,755	

[1] Units located on parcels on which the primary use is non-residential
Source: J. Laurence Mintier & Associates, City of Newman Land Use Inventory, July 1990

As Table II-3 shows, the land use inventory estimated that there were 193 dwelling units in the unincorporated Study Area.

Table II-4 compares Newman's population, household, and housing stock growth between 1980 and 1992 As the table indicates, total growth in the number of housing units in Newman has roughly paralleled population growth over the twelve-year period, although housing lagged slightly behind population growth during the late 1980s.

TABLE II-4
POPULATION, HOUSEHOLDS, AND HOUSING UNIT GROWTH
City of Newman
1980 to 1992

	POPULATION		HOUSEHOLDS		HOUSING UNITS	
Year	No.	Annual Change	No.	Annual Change	No.	Annual Change
1980*	2,785	-	1,007	-	1,049	-
1981	2,893	3.9%	1,042	3.5%	1,112	6.0%
1982	3,125	8.0%	1,118	7.3%	1,223	10.0%
1983	3,319	6.2%	1,166	4.3%	1,275	4.3%
1984	3,392	2.2%	1,178	1.0%	1,281	0.5%
1985	3,409	0.5%	1,165	-0.1%	1,288	0.5%
1986	3,409	0.0%	1,159	-0.1%	1,292	0.3%
1987	3,430	0.6%	1,150	-0.1%	1,299	0.5%
1988	3,438	0.2%	1,138	-1.0%	1,305	0.5%
1989	3,518	2.3%	1,154	1.4%	1,339	2.6%
1990*	4,151	18.0%	1,310	13.5%	1,478	10.4%
1991	4,389	5.7%	1,412	7.8%	1,593	7.8%
1992	4,599	4.8%	1,456	3.1%	1,645	3.3%
Increase, 1980-1990		49.0%		33.5%		44.9%

*1980 and 1990 Census data are for April 1, 1980, and April 1, 1990; DOF estimates indicate January 1st of each year
Sources: U.S. Bureau of the Census, 1980 and 1990; California Department of Finance, 1981-1992

Housing Tenure

Tenure refers to the distinction between owner and renter households or housing units. Table II-5 shows how Newman's housing units were distributed between rental and ownership units in 1990, the most recent date for which such information is available. It should be noted that the numbers in the table reflect occupied units only, and do not account for vacant units which may be for rent or sale.

TABLE II-5
HOUSING TENURE
Newman, Stanislaus County, and California
1990

	Occupied Rentals	% of Total	Occupied Ownership	% of Total
Newman	442	32.9%	902	67.1%
Stanislaus County	49,246	39.3%	76,129	60.7%
California	4,606,307	44.4%	5,774,899	55.6%

Source: U.S. Bureau of the Census, 1990

As Table II-5 indicates, in 1990, Newman's renter/owner mix was slightly different than that of Stanislaus County's. Newman had a higher percentage of owner-occupied units than the county and the state.

Table II-6 shows tenure and occupancy by type of unit in 1990, and indicates the percentage of units renter-occupied and owner-occupied.

TABLE II-6
TENURE AND OCCUPANCY BY UNIT TYPE
City of Newman
1990

Unit Type	Total Units	Total Occupied	Vacant Seasonal Units	% of Units Renter-Occupied	% of Units Owner-Occupied
SF Detached	1,250	1,084	166	20.0%	80.0%
SF Attached	51	51	--	82.4%	17.6%
Duplex	5	5	--	100.0%	--
Triplex/Fourplex	83	79	4	100.0%	--
MF, 5 or more units	84	84	--	100.0%	--
Mobilehome	15	15	--	--	100.0%

Source: U.S. Census Bureau, 1990

Tenure was also considered in the City's 1990 Housing Condition Survey (discussed under the section on "Housing Condition and Age." The tenure of the housing units surveyed (owner-occupied versus rental) was determined based on Stanislaus County Assessor's records. Parcels which received a homeowner's property tax exemption were assumed to be owner-occupied, while all others were assumed to be renter-occupied. All second units and multi-family units were assumed to be renter-occupied.

Based on the Assessor's records, 444 (69 percent) of the 643 single family primary units were owner-occupied. Of the 160 units classified as requiring at least minor rehabilitation, only 58 percent (93 units) were owner-occupied; the remaining 42 percent (67 units) were assumed to be renter-occupied. All 14 of the second units in need of rehabilitation were assumed to be renter-occupied. Of the six duplex units in need of rehabilitation, one duplex unit was owner-occupied; the remaining five units were renter-occupied.

Vacancy Rates

The vacancy rate is both an indicator of unused housing stock and a measure of consumer opportunity for mobility and choice in living accommodations. The gross vacancy rate as tabulated by the Census is a measure of vacant year-round units as a percentage of the total stock of year-round housing units.

According to the 1990 Census, 176 of the 1,344 year-round housing units were vacant, a net rate of 13.1 percent. Of the 176 vacant units, 124 were for sale (72.2 percent), 16 were for rent (9.1 percent), and 33 were neither for sale nor rent (18.8 percent). Vacancy rates are typically highest for rental units.

The Census excluded units open to the elements or condemned, as well as units used entirely for non-residential uses; this explains the discrepancy between the unit total used for calculation of vacancy and the 1990 total listed in Tables II-1 and II-2.

The California Department of Finance (DOF) annually estimates gross vacancy rates for all cities and counties in the state. Table II-7 summarizes vacancy rates for Newman and Stanislaus County

for the years 1980 to 1992. While it would be useful to know how current vacancy rates vary by unit type, tenure, and cost, this information is not readily available. According to the local Post Office, in May of 1990, 10 single family homes, 1 mobilehome, and 5 apartment units were vacant. The single family total excludes newly-constructed units which were completed but not occupied.

TABLE II-7
VACANCY RATES
Newman and Stanislaus County
1980 to 1992

Year	Newman	Stanislaus County
1980	4.00%	7.61%
1981	6.29%	7.62%
1982	8.59%	7.60%
1983	8.55%	7.54%
1984	8.04%	6.90%
1985	9.55%	6.53%
1986	10.29%	5.21%
1987	11.47%	5.30%
1988	12.80%	6.32%
1989	13.82%	5.40%
1990	11.58%	5.04%
1991	11.36%	5.42%
1992	11.49%	5.28%

Source: California Department of Finance

The percentage of vacant units provides a quantifiable measure of supply and demand. A rule of thumb provided by the California Department of Housing and Community Development (HCD), is that an overall vacancy rate of 4.0 to 5.0 percent in urban areas indicates a market reasonably well balanced between supply and demand. In areas where there is a significant number of second homes or seasonal units there should be a higher vacancy rate; in Newman there are not a significant number of seasonal units available. As Table II-7 shows, Newman's vacancy rate increased steadily after 1985, peaking at over 13 percent in 1989, and staying at about 11 percent in 1990 through 1992. Newman's high vacancy rate indicates that the supply of housing has outpaced the demand as a result of the new housing development.

Overcrowding

Overcrowded households are defined by the 1990 Census as those having more than one person per room, excluding bathrooms and kitchen. Overcrowding usually reflects one of three conditions: (1) a family or household inhabiting too small a dwelling; (2) a family living with extended family members; or (3) a family renting inadequate living space to non-family members.

According to the 1990 Census, 16.8 percent of Newman's occupied housing units were overcrowded. This was higher than either the countywide rate of 10.6 percent and the statewide rate of 12.3 percent. Furthermore, Census data indicates that the percentage of overcrowded renter households (23.7%) is significantly higher than that for owner households (13.4%). Further, a smaller percent of rental units than owner-occupied units have six or more rooms making it difficult for larger households to find adequately sized units, particularly lower-income large households. Thus, there is a particular need to provide larger units that will be available for rent.

There also seems to be a direct link between overcrowding and housing being affordable. Homeowners or renters with large families are unable to afford larger dwellings; thus, children are usually the largest percentage of persons living in substandard conditions. The aged on fixed incomes and young adults, unable to make rental payments or secure home loans, sometimes resides longer with their parents.

Population Per Household

The California Department of Finance provides annual estimates of population per household for all cities and counties in the state. Table II-8 shows DOF's estimates for Newman and Stanislaus County for the years 1980 through 1992. As Table II-8 indicates, Newman's household size has increased moderately through the decade, and consistently has been slightly higher than the countywide average.

TABLE II-8
POPULATION PER HOUSEHOLD
Newman and Stanislaus County
1980 to 1992

Year	Newman	Stanislaus County
1980	2.700	2.775
1981	2.719	2.783
1982	2.748	2.802
1983	2.806	2.851
1984	2.845	2.868
1985	2.898	2.877
1986	2.919	2.850
1987	2.966	2.859
1988	3.010	2.878
1989	3.045	2.880
1990	3.089	2.909
1991	3.108	2.914
1992	3.159	2.945

Source: California Department of Finance

Housing Condition and Age

In large part, housing conditions are a function of the age of the units. It is likely that many of Newman's housing units are in need of at least some minor rehabilitation, if only because of the age of the units. In 1990, 533 (35.1 percent) of the city's housing units had been constructed before 1960 (see Table II-9). By comparison, the respective county and statewide percentages were 30.0 and 37.0. The difference in the percentage of units constructed before 1940 was more pronounced. In 1990, 16.0 percent of the units in Newman had been built before 1940, while only 8.0 percent countywide and 10.7 percent statewide were that old.

The city's older units are concentrated in its original neighborhoods; generally the area bounded by Inyo Avenue on the south, West Avenue on the west, Yolo Street on the north, and L Street on the east, although there are some areas outside these boundaries which contain housing which could benefit from rehabilitation. Many of the older units in the city were constructed according to

building standards less exacting than today, and as a result, remain with substandard electrical wiring, plumbing, and foundations.

TABLE II-9
HOUSING STOCK AGE
Newman
1990

Year Constructed	Newman	Stanislaus County	California
Before 1940	243 (16.0%)	10,527 (8.0%)	1,193,901 (10.7%)
1940-1949	126 (8.3%)	12,400 (9.4%)	1,017,342 (9.1%)
1950-1959	164 (10.8%)	16,736 (12.7%)	1,931,706 (17.3%)
1960-1969	254 (16.7%)	19,439 (14.7%)	2,059,742 (18.4%)
1970-1979	225 (14.8%)	32,852 (24.8%)	2,424,359 (21.7%)
1980-1989	508 (33.4%)	40,073 (30.4%)	2,555,832 (22.9%)
Total Units	**1,520**	**132,027**	**11,182,882**

Source: U.S. Bureau of the Census, Summary Tape File 3 (STF 3), 1990

Housing Condition Survey

In July 1990, the City of Newman received a Planning and Technical Assistance grant from the California Department of Housing and Community Development (HCD) to conduct a housing conditions survey. The objectives of the survey were to assess the condition of Newman's housing stock, identify units in the city in need of rehabilitation, and to identify potential rehabilitation resources as a basis for future City rehabilitation efforts.

In March 1991, the consultant's conducted a windshield survey of the entire city of Newman. Based on this windshield survey, the City and its consultants identified areas for more focused survey work. This more focused housing condition survey included all residential structures in neighborhoods developed before 1975 and selected units built after 1975. This included the area generally bounded by a block north of Yolo Street on the north, Upper Road on the west, Patchett Drive on the south, and Highway 33/"N" Street on the east. Also included in the survey area east of Highway 33/"N" Street was the neighborhood between Driskell Road and Merced Street. Figure II-2 depicts the total survey area and the focused survey area.

The housing condition survey was conducted by experienced building inspectors through a walking tour and exterior inspection of every dwelling unit within the focused survey area, based on methodology recommended by the California Department of Housing and Community Development (HCD). Housing conditions were analyzed based on the assessment of five criteria: foundation, windows, roofing, siding, and doors. Each unit was given a point rating based on the condition of each of these criteria, then the points were combined to provide an overall rating of the condition of the units. The units were classified into five categories, as follows:

Sound	Needs no rehabilitation
Minor	In need of minor rehabilitation
Moderate	In need of moderate rehabilitation
Substantial	In need of substantial rehabilitation
Dilapidated	May require demolition and replacement

Table II-10 summarizes the results of the housing condition survey by type of housing unit. Each unit's condition was classified as sound, minor, moderate, substantial, or dilapidated.

TABLE II-10
HOUSING CONDITIONS
(By Number of Units)
April 1991

Condition	Single Family Primary Unit	Single Family Second Unit	Duplex/ Triplex/ Fourplex	Multi-Family	Total
Sound	483	16	21	96	624
Minor	92	2	2	0	96
Moderate	53	6	4	0	65
Substantial	10	4	0	0	14
Dilapidated	5	2	0	0	7
Total	**643**	**32**	**27**	**96**	**808**

Source: *City of Newman Affordable Housing Study*, January 1992

As Table II-10 indicates, of the 808 total units, 624 (77 percent) were classified as in sound condition. A total of 96 units (12 percent) were classified as in need of minor rehabilitation; 65 (8 percent) were classified as in need of moderate rehabilitation; 14 (2 percent) were classified as in need of substantial rehabilitation; and 7 units (1 percent) were classified as dilapidated.

Single family dwellings are the predominant type of housing unit in Newman and also showed the greatest need for rehabilitation, both in total numbers and proportion. One quarter of the primary single family units surveyed were classified as in need of at least minor rehabilitation. Approximately 10 percent of the total primary single family units were classified as in need of moderate or substantial rehabilitation, although less than one percent were classified as dilapidated.

Second units demonstrated an even higher proportion of rehabilitation need. Approximately 44 percent of the second units surveyed were classified as in need of at least minor rehabilitation (includes minor, moderate, substantial, and dilapidated). Over 31 percent were classified as moderate or substantial, and 6 percent as dilapidated.

Only three duplex structures (a total of 6 units) needed minor rehabilitation and no multi-family units needed even minor rehabilitation.

As would be expected, the units in need of the greatest rehabilitation are concentrated in the historic neighborhoods, with many units built in the 1940s and earlier. This includes the blocks along Tulare, Fresno, Merced, and Inyo Avenue, and along P, Q, and R Streets. The block south of Inyo Avenue along Pine Circle also includes a concentration of units in need of moderate or substantial rehabilitation.

Areas containing concentrations of units in need of minor rehabilitation include south of Inyo Avenue to Patchett, west of T Street to Upper Road, south of Yolo to Mariposa Street, and south of Driskell Road on the east side of Newman. It should be noted that in most blocks, housing conditions vary greatly. While blocks are identified as containing units in need of rehabilitation, there are many sound units located within these blocks also.

Housing Costs

The cost of housing has become an increasingly critical issue in California. Since the late 1970s, the statewide housing market has experienced dramatic price increases. Many housing markets in California (particularly in the Bay Area and Southern California) have seen rapid inflation of housing costs because of increasingly limited supplies of land suitable (or available) for residential development. Because of the vast amount of undeveloped land available in the Central Valley, housing has remained relatively inexpensive in Valley communities compared to the larger urban areas. This has generally been the case in Newman and western Stanislaus County.

Recently, however, Newman and other West Side communities have begun to experience pressure to develop housing to accommodate Bay Area commuters who move to the area for its affordable housing and more rural lifestyle. The increased demand for housing and higher incomes of Bay Area wage-earners have led to rising housing prices in Newman. Local wages in Newman and throughout Stanislaus and Merced Counties have not increased at the same rate as housing prices, thus it is becoming increasingly difficult for locally-employed residents to afford to purchase or rent housing in Newman.

Newman is not represented by any local Board or Association of Realtors, so historic and current information on housing costs is difficult to obtain. Information was obtained through discussions with local real estate agents and brokers and by reviewing real estate advertisements in back issues of the local newspaper.

As of August 1990, sales prices of new homes in Newman ranged from approximately $130,000 to $190,000. Costs for older homes, which tend to be smaller and have fewer bedrooms than the new homes constructed, ranged from the high $90,000s to the low $120,000s, averaging between $95,000 and $110,000.

Historic housing costs in Newman are difficult to document for several reasons. First, no local body has accumulated housing sales information for statistical purposes. Second, given Newman's relatively small size and its stability, only a small number of homes in Newman were typically sold in Newman in a given year (excluding new construction), which does not provide a very good statistical sample. A review of asking prices for homes in Newman as advertised in the *West Side Index*, however, does provide a general indication of changes in Newman's housing market.

Housing prices saw a significant increase in Newman in late 1988 and early 1989, when the demand for housing for Bay Area commuters reached the West Side. Based on reviews of listing prices for resales from the *West Side Index*, housing costs averaged roughly $50,000 to $65,000 during 1986, $55,000 to $70,000 during 1987, $65,000 to $90,000 in 1988, $80,000 to $100,000 in 1989, and $95,000 to $110,000 in 1990.

Overpayment

Overpayment is defined as paying 25 percent or more of one's income for housing. According to the California Department of Housing and Community Development's methodology for calculating overpayment, 369 of Newman's 602 lower-income (below 80 percent of county median) households were overpaying for housing in 1990. This represented 61 percent of the city's lower-income households. Of those households overpaying, 219 were renters and 150 were homeowners, representing 65 percent and 57 percent of the city's lower-income renters and owners, respectively.

Table II-11 shows the number and percent of lower-income households overpaying for housing in 1990 in Newman, Stanislaus County, and California.

TABLE II-11
OVERPAYMENT FOR HOUSING
(Low-Income Households Paying More than 25 percent of Income on Housing)
1990

	Number of Low Income Households Owning	Number of Low Income Households Renting	Number of Low Income Households Overpaying (Owners)	Number of Low Income Households Overpaying (Renters)	Proportion of Low Income Owners Overpaying	Proportion of Low Income Renters Overpaying
Newman	265	337	150	219	56.8%	64.9%
Stanislaus County	16,166	31,806	8,777	25,779	54.3%	81.1%
California	1,091,703	2,629,794	574,817	2,262,122	52.7%	86.0%

Source:Mintier & Associates, U.S. Census Bureau

As Table II-11 shows, Newman had a much lower incidence of overpayment by lower-income renter households (64.9 percent) in 1990 than either the county or the state. However, Newman had a slightly higher incidence of lower-income owners overpaying (56.8 percent) than either the county or the state.

LAND USE CONTROLS

Discretionary control over land use in Newman is currently exercised by the Planning Commission, City Council, and the City's Planning Department through the General Plan, Zoning Ordinance, and other implementing ordinances. These documents and ordinances are described in Chapter I, Land Use.

The City of Newman's development standards for new residential development are meant to ensure compatibility between land uses and to maintain the livability and safety of its neighborhoods. The City has included policies and programs in its zoning regulations and development standards that address the community's interest in preserving and expanding its affordable housing stock. Development standards include parking standards, building setback requirements, and construction of certain on-site and off-site improvements such as curbs, gutters, and sidewalks as described in Part I of the General Plan Policy Document and under zoning in the Land Use section of the Background Report.

These standards are considered the minimum standards designed to protect the public health, ensure compatibility between adjacent land uses, and to maintain as well as to enhance the livability of Newman's neighborhoods. Further, the density bonus provisions provide the opportunity for flexibility in the development standards when units of affordable housing are being included in a plan. This allows for evaluation of alternatives and reduces constraints that may otherwise exist for the development of housing.

The City of Newman has three residential zones: R-1, R-2, and R-3 and a P-D, Planned Development zone. The R-1 zone allows single-family development with a minimum interior lot size of 6,000 square feet, with an average density of 5 dwelling units per acre. The R-2 and R-3 zones allow duplex and multi-family developments on minimum interior lot sizes of 6,000 square feet. The average multi-family development densities are 12 and 20 dwelling units per acre respectively. In addition, the City grants Planned Development (P-D) zoning to allow for

development options beyond what is allowed in the standard residential zones (i.e. small lot patio housing, higher density senior housing). Density bonuses also afford further opportunity to increase densities above the otherwise allowable ranges to accommodate the City's share of the lower-income housing need.

The minimum lot sizes, average permitted densities, density bonus and provisions for allowing second units with use permit, together with the special provisions of the Planned Development Zone, are all aimed at eliminating potential constraints on the development of affordable housing while maintaining the integrity of the development and the community character.

Through the Land Use and Housing policies the City seeks to maintain an overall mix of 75 percent single family and 25 percent multi-family units in its housing stock. This ratio is not intended to be a capacity or maximum for any particular development but rather it is an overall community ratio. The July, 1990 land use survey shows 85.6 percent of the units within the City of Newman to be single family units. In striving to attain the stated mix of housing types this policy affords the opportunity for a higher percentage of new multi-family units. This provision is further enhanced by the provisions of the Neighborhood Planned Residential designation which provides that such development shall contain a full range of residential densities; at least 35 percent of new residential units shall be developed as multi-family residential. Other residential zones also afford opportunities for greater densities which would tend to imply opportunity for more multi-family units to meet the needs of the lower-income groups. This policy identifies an overall mix of housing types in the community within the context of the existing character of the community and the need for affordable housing.

Newman has defined a community identity in its older areas and its desire to maintain the character of the historic districts. The community design element defines the importance of new and rehabilitated structures which are compatible with existing neighborhood scale and character. These provisions provide guidance to developers and contractors at the preliminary planning stage of their projects so that design features reflect the scale and character of adjacent uses. The design review is incorporated into the standard project review process to avoid delays in the expeditious processing of projects. Limitations on architectural style are central to the maintenance of the fabric and character of the neighborhood which make it an asset to the community and a desirable living environment.

As with the issue of compatibility of new units in older neighborhoods, the community has also defined value in the appearance of its gateways and circulation corridors. Landscaping is proposed to enhance these areas and the overall appearance of the community with potential provision of a citywide maintenance district to maintain the areas. These amenities may serve as a constraint on the development of affordable housing, depending on the extent of the improvements and cost to maintain them. The plan does identify means to minimize maintenance costs through the selection of materials and irrigation systems. The zoning ordinance affords opportunity for developers to have density bonuses and other incentives which can off-set the cost of the amenity improvements.

The City's residential parking standards can be summarized as follows:

(a) Single-Family Residential Districts, "R-1 Districts": Two (2) garage spaces for each single-family dwelling
(b) Duplex Residential Districts, "R-2 Districts": One garage or carport for each dwelling unit in any duplex plus one covered or uncovered space for each two (2) dwelling units or fraction thereof.

(c) Multiple-Residential Districts, "R-3 Districts": One covered carport 10' x 20' for each dwelling unit in any multiple-dwelling group or apartment or condominium, plus one covered or uncovered space for each two (2) dwelling units or fraction thereof.

Minimum building setbacks are 20 feet for the front yard; five feet for interior and 10 feet for corner side yards; and 10 feet for rear yard.

HOUSING NEEDS

Under the state housing element requirement, housing needs are defined in three categories: existing needs, projected needs over a five-year period, and special needs. As detailed above, based on the most current information available, existing housing needs in Newman have been identified and are summarized as follows:

Overcrowding:	226 of the city's units (1990)
Substandard Units:	86 of the city's units (1990)
Overpayment:	219 of Newman's lower-income renters 150 of Newman's lower-income owners

Projected housing needs are the total additional units needed to accommodate the projected population in five years in units that are affordable, in standard condition, and not overcrowded. Projected needs, therefore, include the needs of existing residents as well as the needs of the additional households expected five years hence.

Special housing needs focus on the needs of subgroups within the population with special housing requirements. The state requires that all housing elements address the needs of the elderly, the disabled, large families, farmworkers, households headed by single mothers, and families and persons in need of emergency shelter and transitional housing.

Newman's Fair Share of Projected Regional Needs

According to housing element law, each jurisdiction must project in its housing element the number of new housing units that need to be constructed to serve the needs of all income groups of the projected population. To assist cities and counties, the State has assigned each council of governments responsibility for determining the existing and projected housing needs for its region.

In February 1991, the Stanislaus Area Association of Governments (SAAG) published its *Housing Needs Report* for Stanislaus County and its cities, for 1990 to 1997. The projected 1990 to 1997 basic construction need defined for the county is approximately 33 percent higher than the needs projected by the California Department of Housing and Community Development (HCD) and the California Department of Finance (DOF), as there is general consensus that DOF's population projections for the county are too low and do not adequately reflect true growth trends.

Table II-12 shows SAAG's assumed housing construction needs by income category for the period from 1990 to 1997.

TABLE II-12
ASSUMED HOUSING CONSTRUCTION NEEDS
City of Newman
1990 - 1997

Income Category	New Construction Need	Percent
Very-low income	312	24%
Low-income	221	17%
Moderate-income	273	21%
Above-moderate income	494	38%
Total	**1,301**	**100%**

Source: Stanislaus Area Association of Governments, *Housing Needs Report*, February 1991

Special Needs

Beyond the general housing needs documented above, state law requires that the housing element include an assessment of the housing needs of special groups within the community, including those of the disabled, the elderly, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.

Disabled Persons

The term "disabled" refers to a disability (physical, mental, or sensory) which prevents or precludes a person form doing work either in or outside of the home. The number of disabled persons in a community has important implications for providing certain social services, in the removal of barriers to facilities, and in developing housing which has specialized access for disabled residents.

According to the 1990 Census, 188 of Newman's residents aged 16 to 64 had work disabilities. This represented 12.4 percent of the work force. A person with a work disability may have a health condition which limits the kind or amount of work which he or she can do or which prevents working at a job or business altogether. A work disability may also be defined as a health condition which limits the choice of jobs. Of those identified as having work disabilities according to the 1990 Census, 131 were prevented from working altogether and 34 were in the labor force. The remaining 23 did not work, but were not entirely prevented from doing so. Table II-13 shows work disability information for Newman, Stanislaus County, and California according to the 1990 Census.

TABLE II-13
WORK DISABILITY STATUS BY PERCENTAGE
Newman, Stanislaus County and California
1990

	Newman	Stanislaus County	California
With Work Disability			
In Labor Force	1.4%	3.0%	2.8%
Not in Labor Force			
Prevented from Working	9.9%	9.7%	6.7%
Not Prevented	1.1%	1.1%	1.1%
Total with Work Disability	12.4%	13.3%	11.0%
No Work Disability	87.6%	86.2%	89.4%

Source: U.S. Bureau of the Census, 1990

The Census also identified those residents with mobility and self-care limitation disabilities. As Table II-14 indicates, in 1990, 12.4 percent of Newman's residents aged 16 and over had mobility and self-care limitation disabilities. 7.9 percent of those between 16 and 64 had such disabilities and 35.6 percent of the city's residents over 65 had disabilities.

TABLE II-14
MOBILITY AND SELF-CARE LIMITATION DISABILITY BY AGE GROUP BY PERCENTAGE
Newman, Stanislaus County, and California
1990

	Newman	Stanislaus County	California
16 to 64 with Disability	7.9%	9.9%	7.4%
16 to 64 without Disability	92.1%	90.1%	92.6%
65 and over with Disability	35.6%	79.3%	31.2%
65 and over without Disability	64.4%	20.7%	68.8%
16 and over with Disability	12.4%	15.0%	10.6%
16 and over without Disability	87.6%	85.0%	89.4%

Source: U.S. Bureau of the Census, 1990

Special needs of disabled persons vary depending upon the particular disability of the person. For example, the needs of a blind person differ greatly from those of persons confined to wheelchairs. Special facilities such as ramps, elevators, or specially designed restrooms necessary for wheelchair access are architecturally features needed to make dwellings suitable for wheelchairs. Special features needed by ambulatory persons constrained by other disabilities may not be architectural. Instead, these might be simple alterations to conventional dwelling units for furnishing and appliances which make ordinary tasks of housekeeping and home life simpler. In families, the needs of the disabled person, in terms of special features, are fewer than those of a single person.. Nevertheless, a disabled person in a family does have special needs. Special

architectural features could be valuable in giving this person a greater independence, dignity, and quality of life.

Elderly

The 1990 Census indicated that 14.7 percent of the city's population was 60 years and older, and 10.9 was 65 years or older. These percentages are lower than those for Stanislaus County, where 14.4 percent of the population was over 60 and 10.8 percent was over 65. Statewide, 14.2 percent of the population was at least 60 and 10.5 percent was 65 or older.

The primary explanations for the relatively high percentage of older residents in Newman are the city's overall low cost of living, the stability of the area, and its warm year-round climate.
Many senior citizens have mobility limitations which restrict their access to other services, such as public transportation, shopping facilities, and senior citizens. Although the West Side Dial-a-Ride will arrange door-to-door pickup, the service provides only limited service to Modesto. Limited shopping and medical facilities in Newman also create difficulties for seniors with transportation difficulties.

Large Families

Family size is an important consideration when it comes to planning for housing. Very simply, areas which have large concentrations of small families or single-person households need to plan for smaller units, and areas with concentrations of large families need to assure that units large enough to accommodate such families are available.

The 1990 Census defines large families as five or more related persons. Census data shows there are 268 large-family households within the City of Newman. Of that number, 178 families reside in owner occupied units and 90 families live in rental units. These large household represent 20 percent of the households in Newman; and respectively represent 20% of the owner-occupied and 20% of the renter-occupied units, assuming one household per unit. Thus, developers of both multi-family and single family housing will be encouraged by the City to provide 3+ bedroom units.

Farmworkers

As in the case for most low-income households, housing needs of farm workers far exceeds government's ability to provide assistance. The Farmer's Home Administration (FmHA) is the most important provider of permanent housing for farm workers, but FmHA assistance suffers from its own income qualifying standards and a shortage of staff and funds. The State HCD and Office of Migrant Services also supplies housing assistance for farm workers. Because farm workers are usually low-income and their employment status is often tenuous, they are unable to compete for housing on the open market. The housing that is available is often of substandard condition and located in areas of the community lacking adequate services. In relation to their low incomes, farm workers often overpay for substandard housing and live in crowded conditions.

Throughout Stanislaus County, farm workers are housed predominately in farm labor camps owned and operated by the Stanislaus County Housing Authority and camps privately owned in the unincorporated areas. Housing shortages exist during peak seasonal labor periods, the months of July-September, when a large influx of migrant workers enter the work force.

Provisions which allow for the housing of farm workers include permanent residential buildings and mobile homes. Within areas in the county, permits are issued with the stipulation that the occupant be employed on a full-time basis in conjunction with the farming operation. Both mobile homes and farm labor camps provide important housing for seasonal or year round workers who may otherwise have a difficult time obtaining housing at an affordable price and within close proximity to their jobs.

According to the 1990 Regional Housing Needs Report developed by the Stanislaus County Area Association of Governments, a total construction of 27 units was needed for farm workers within the City of Newman from 1990-1997. This report states that the provision of "Farm worker housing units is the responsibility of the Stanislaus County Housing Authority" and "Local agencies will assist the Housing Authority in meeting the farm worker housing needs. Please refer to the following Tables 1A AND 1B:

TABLE 1A
Farm Labor and Migrant Housing
Stanislaus County Housing Authority Inventory
1992

Location of Farm Labor Housing	Number of Units	Percent of Units
Westly: FmHA Units	85	22.61%
Westley: Mobile Homes/Trailers	20	5.32%
Ceres	104	27.66%
Modesto	91	24.20%
Patterson	76	20.21%
Total	376	100.00%

Source: Stanislaus County Housing Authority

TABLE 1B
Assumed Farm Worker Housing Needs, 1990-1997
Stanislaus County Housing Authority Inventory
1992
Stanislaus County and Cities

	1990 Existing Housing Units (1)*			1990 Replacement Needs*		
				"A"	"B"	
	Total	**Year-Round**	**Seasonal(3)**	**Year-Round(4)**	**Seasonal(5)**	**Total(6)**
	Housing	Housing	Construct.	Housing	Housing	Housing
City	*Units*	*Units*	*Units*	*Units*	*Needs*	
Ceres	103	103	0	1.6	0	74
Hughson	0	0	0	0	0	16
Modesto	91	91	0	1.4	0	244
Newman	0	0	0	0	0	27
Oakdale	0	0	0	0	0	23
Patterson	121	76	45	1.1	45	66
Riverbank	0	0	0	0	0	28
Turlock	0	0	0	0	0	115
Waterford	0	0	0	0	0	7
Unincorp.	254(2)	85	214	5.4	88	693(7)
Total	569	355	214	5.4	88	693(7)

Current Year-Round Housing Needs +600 Housing Units

Table 1B Notes:

(1)	Stanislaus County Housing Authority, October 8, 1990
(2)	Empire @ 77 seasonal units, Westley @ 85 year-round and 92 seasonal units.
(3)	Units available between May 1 and October 30.
(4)	(Year-Round Housing Units) x (.002 annual removal rate) x (7.5 years)
(5)	Housing Authority Schedule for replacement
(6)	Jurisdiction's 1990-97 Basic Construction Needs divided by 28,915 x 600 =
(7)	Total does not add due to rounding

*Provision of these farm worker housing units is the responsibility of the Stanislaus County Housing Authority. Local Agencies will assist the Housing Authority in meeting the farm worker housing need.

Source: Housing Needs Report, Stanislaus County and Cities, SAAG 1990-1997.

Families Headed by Single Females

The 1990 Census reported that 11.0 percent of Newman's families were headed by single females with children under 18. The *California Statewide Housing Plan (Phase I)* identifies the following distinguishing characteristics for female householder families:

- Low homeownership rate
- Younger householder
- Children present
- Low incomes and a high poverty rate
- Overcrowded
- High percentage of household income spent for housing

The same report concludes that "among the large special needs groups, female householders families is perhaps the group with the most extensive housing program." According to the Census, in 1990, 50 percent of female-headed households with children were below poverty. Countywide, only 10.8 percent of households headed by single female parents, 37.4 percent of these households were below poverty.

Persons Needing Emergency Shelter and Transitional Housing

Since homeless persons do not have a permanent address and oftentimes are not accommodated in emergency shelter, attempts to count this population must rely on unorthodox procedures that are likely to undercount the population . In fact, the United States General Accounting Office, in its report to congressional committees on the 1990 Census concluded that, "The chosen method of enumerating selected shelter and street locations at night result in an unknown number of the hidden homeless being missed and a lack of assurance that those counted were homeless and would not also be counted during other census operations." As a result, 1990 Census data on the homeless has limited value in assessing the extent of the homeless problem. It does provide a starting point. however, for analysis of the homeless population within Newman and the County as a whole.

Throughout California, homelessness has become a major concern. Factors contributing to the increase in homeless persons and families, and those in need of transitional housing, include:

- The lack of housing affordable to very-low- and low-income persons
- Increases in unemployment or underemployment

- Reductions in government subsidies
- Deinstitutionalization of the mentally ill
- Domestic violence
- Drug addiction
- Dysfunctional families

Solutions to homelessness are as difficult and varied as the solutions to the problems listed above.

The housing needs of homeless persons are more difficult to measure and assess than those of any other population subgroup. Since these individuals have no permanent addresses, they are not likely to be counted in the Census, and since they are unlikely to have stable employment, the market provides few housing opportunities.

Agencies Offering Emergency Housing Assistance

Salvation Army, Social Services Program - Under this program, renter's assistance, energy bill assistance, as well as housing information and referral are provided to low-income families. Also, families facing eviction are given a first month's rent allowance and are assisted in finding permanent housing.

In conjunction with the Salvation Army, the Newman Police Department offers limited emergency assistance to very-low to low income residents.

Stanislaus County Housing Authority - The Stanislaus County Housing Authority is located at 1701 Robertson Road, Modesto. The Housing Authority develops and operates subsidized housing facilities in Stanislaus County (with the exception of Riverbank, which has its own Housing Authority), for very low and low-income families, including the elderly, handicapped and disabled families. The Authority also operates housing rehabilitation programs and offers counseling for rent delinquency and mortgage delinquency at no charge, under license from the Housing and Urban Development Agency.

Emergency and Transitional Shelter Needs - The housing needs of those seeking emergency shelter and/or transitional shelter have dramatically increased in the last ten years. The fastest growing population in need of shelter are families with children. The reason for this increase can be partially attributed to rising unemployment and the decline in affordable housing. A large percentage of mentally ill persons are homeless due to the relaxing of guidelines for state mental health care institutions. Others in need are homeless persons with drug and alcohol problems, battered women and children, teenage runaways, and evicted tenants.

Agencies Providing Emergency Shelter - The following programs offer cash or vouchers to homeless individuals and families for securing temporary shelter:

Community Housing and Shelter Services - Since 1981, the Community Housing and Shelter Services (CHSS) has provided services for those seeking shelter. CHSS provides temporary shelter to those with immediate need. CHSS assists families with dependent children and mentally ill homeless. Stay is temporary, in motels or shelters, until more permanent shelter can be found. CHSS contracts with the Stanislaus County Department of Social Services to find temporary shelter for AFDC Homeless Assistance Program.

CHSS receives block grant funding to find shelter for the Mentally Ill Homeless Program. The Program is administered by the Stanislaus County Mental Health Department. The Program

provides shelter for stays of three to seven days, based on need and then many individuals are placed in board and care facilities.

The Modesto Men's Gospel Mission and Women's Mission - The Men's Gospel Mission, located at 1417 DeHarro Street, provides shelter to 80 single, male adults with limited stay of seven bed nights, seven nights on the floor, and three nights out. The mission also serves two meals a day, Monday through Friday, and three meals on weekends and holidays. The majority of men (95%) arriving at the Mission are locals raised in the County and 60% are under 36 years of age.

The Women's Mission, located at 1714 DeHarro Street, provides fifteen beds for temporary shelter to house single women and women with children for a maximum stay of fourteen days. Since opening its doors in 1985, the Women's Mission has been filled to capacity.

Both Missions require that those seeking shelter participate in religious activities, (this requirement also exempts the Missions from receiving any Federal or State funding assistance.) Thus, the missions must rely strictly on donations from local churches and the community. In addition to shelter and meals, programs are offered to assist those needing shelter so that they can learn to break the cycle and become functional again. The programs include a Christian drug and alcohol rehabilitation program, literacy and GED programs, and life skills/job skills classes.

Hutton House - The Hutton House provides temporary shelter for up to six teenagers that may be involved in a family crisis or a conflict situation. Hutton House also provides individual, family and group counseling to its clients. It is estimated that the number of reported teenage runaways is only one-third of the actual teenage runaway population.

According to Neil Griffin, counselor at Hutton House, county-wide the number of actual teenagers on the street (both reported and unreported), is estimated to be 6,000 to 7,200. He noted that less than one-third of the parents of teenage runaways file runaway report to the police or sheriff departments.

Agencies Providing Transitional Housing - The Stanislaus County Affordable Housing Corporation (STANCO) has fourteen HUD homes within Stanislaus County utilized for families and individuals with special needs.

STANCO provides eleven family houses, one house for four unrelated mentally ill homeless adults, one house for two battered women households and their children, and one house for unrelated persons with HIV/AIDS. STANCO is responsible for the program and property management and Case management to these families and individuals.

Agencies Providing Shelter and/or Services and/or Meals - The following facilities provide shelter and/or meals and services to the homeless population:

The Salvation Army - The Salvation Army, located at 625 I Street, serves lunches to about 200 to 220 people per day. Currently, the Salvation Army is seeing an increase of people needing food and clothing. According to the commanding officer for the Modesto Corps, with the recession, the high unemployment rate, and the higher energy bills, they are seeing more people in need then ever.

Adult Protective Services - This is a function of the County's Welfare Department and they provide information and act as a referral agency for those in need of help for emergency housing, money, food, mental problems and alcoholism. Their primary function is to access a person's immediate problems and link that person with the appropriate agency for further help.

Mentally Ill Homeless - The Sunshine Place administered by the Stanislaus County Department of Mental Homeless is a Drop-In Center that provides recreation and socialization for Mentally Ill Homeless. This Center is open five days a week and provides an Adult Outreach Team to work with sub-population. The Sunshine Place is also open two days a week to the general adult homeless population. On the average day, 240 people visit the Sunshine Place.

The Department of Mental Health also contracts with the Community Housing and Shelter Services to provide emergency shelter and transportation. In addition, the Stanislaus County Affordable Housing Corporation (STANCO) also provides one transitional house to four unrelated adult mentally ill homeless.

Homeless Veterans - In 1996, after a large turnout of homeless veterans in Stanislaus County for the annual Stand Down program; a planning group supported the expansion of the Central Valley Homeless Veteran's program, under the direction of Marvis Hood, Executive Director, to provide transitional housing for homeless veterans.

The Central Valley Homeless Veterans, Inc. provides the only annual Stand Down program where homeless veterans within Stanislaus County receive medical, dental, mental health, clothing, nutrition, hygiene, employment, non felonious criminal justice issues assistance and housing placement services on site during the three day "Stand Down".

The Stanislaus County Department of Aging and Veteran's Services, the Mental Health Adult Outreach Team and the Homeless Health Project Outreach Worker refer homeless veterans to the shelter providers and services available within the County.

Stanislaus Department of Veterans Services also provides Benefit Counseling and the Medi/Van Program to transport veteran's and their families to medical appointments, VA Hospitals, and other hospitals in the Bay Area.

Local Assistance to Homeless Persons

The Police Department is allocated funds through the Salvation Army to assist indigent and homeless persons. Typically, these funds are used to pay for food or gas for persons who become stranded in the Newman area. Local churches also provide clothing and assistance if needed. The Police Department will also arrange transportation for homeless persons to shelters in Modesto, where the Stanislaus County Housing Authority provides temporary shelter (overnight). Motels in western Stanislaus County that offer weekly and monthly rates also serve as a source of transitional housing.

AVAILABILITY OF LAND AND SERVICES FOR RESIDENTIAL DEVELOPMENT

State law requires that housing elements contain an analysis of the availability of land for future residential growth and the adequacy of public facilities and services to accommodate this growth. Following are brief discussions of these issues as they pertain to Newman.

Land

As of July 1990, there were approximately 170 acres of vacant residential land within the city limits. Much of this vacant land within the city was committed to residential development as of July 1990; 66 acres of land were either under construction or had secured final approval for development, for a total of 392 single family homes. Another 84 acres had received tentative map approval for the development of 401 single family homes. Within the city limits, 20 acres of vacant residential land have not been committed for development as of July 1990, with a potential for approximately 409 units.

The *1992 General Plan* includes substantial land for new residential development in various types of land use designations, as summarized in Table II-15. Table II-15 lists the acreage of vacant or agricultural land according to its residential land use designation, and the number of dwelling units which could be potentially developed, assuming average densities allowed under the General Plan These estimates do not account for units which could be developed using density bonus provisions.

As Table II-15 shows, while the city had 170 acres of vacant land within the city limits, much of this is committed to development. For additional residential growth, annexation of land within the sphere of influence would be required.

TABLE II-15
LAND AVAILABLE FOR RESIDENTIAL DEVELOPMENT
By 1992 General Plan Designation

Land Use Designation	Maximum Density	Vacant Acreage	Dwelling Units[1]
Low Density Residential	6 du/acre	241	1,089
Central Residential	10 du/acre	2	62
Medium Density	12 du/acre	33	234
High Density Residential	20 du/acre	21	294
Neighborhood Planned Residential	7.5 du/acre[2]	234	1,336
Planned Mixed Residential	6 du/acre[3]	1,438	6,075
Downtown	10 du/acre	N/A[4]	42
Total		**1,968**	**9,132**

Notes [1]Assumed at 80 percent of maximum density, deductions included to account for land dedicated to schools and parks
[2]Maximum average weighted density. The Neighborhood Planned Residential designation provides for a range of residential densities form 1.1 to 20 units per gross acre. New areas shall be developed with at least 35 percent of the units as multi-family housing
[3]Maximum average weighted density. The Planned Mixed Residential designation will be developed according to a general policy goal of maintaining the following mix of residential densities: 75% low density, 15% medium density, and 10% high density. New areas shall be developed with at least 20 percent of the units as multi-family housing
[4]Residential uses are permitted on a discretionary basis; the primary use is commercial and office uses

Source: City of Newman General Plan *Final EIR*, 1992.

Affordable Housing Study Site Inventory

As part of its *Affordable Housing Study*, the City conducted an inventory in April 1991 to identify and evaluate sites that may be suitable for the development of affordable housing. The survey focused on vacant and underutilized parcels, including those on the periphery of the city, that may be suitable for the development of housing for low- and very-low-income families. The survey involved review of City and County maps, aerial photographs, and recorded maps on file and field surveys. Survey results were compiled in the form of a series of maps of the sites and a list of the sites that identifies:

- assessor parcel number
- parcel area
- existing uses
- location and surrounding land uses
- availability of infrastructure and public utilities
- potential for rezoning to higher density

The Consultants performed an affordable housing analysis of the sites considered feasible for development, separating the sites into two categories: vacant and underutilized. Figure II-3 and II-4 depict the location of these sites.

Five types of strategies were analyzed for the development of affordable housing: 1) infill of existing sites for multi-family housing; 2) infill of existing sites for single family housing; 3) self-help housing; 4) second units on existing lots; and 5) strategies for the development of affordable housing in large developments. The first three strategies are site-specific. The last two strategies are not site-specific, and are discussed generally in terms of methods and approaches for their use and implementation.

Multi-Family Housing - Infill Sites

Tables II-16 and II-17 identify infill and underutilized sites that can be developed for low- and very low-income housing units. Neighborhood Plan Areas have been adopted by the City of Newman which include provisions for the development of multi-family units. Programs (e.g. density bonus, incentives, and second units) which are designed to encourage affordable housing, as part of new development, are included in the Housing Element to encourage development of affordable housing. Also addressed are services which illustrate the capacity to extend services to newly developing areas where additional affordable housing can be developed.

Identified Sites

The sites listed in Table II-16 are those identified in the survey within the existing city limits or on its immediate periphery considered suitable for multi-family development. Table II-17 identifies sites that are underutilized (i.e., large parcels with only one housing unit). Underutilized sites should be considered a priority after development of the vacant sites.

Both Tables, following this page, have been revised to more accurately reflect the estimated number of very-low and low income units, based upon current available funding sources. Current resources for multi-family development include Community Development Block Grants, HOME funds, Redevelopment 20% Set-Aside Funds, and Low Income Tax Credits, HUD Section 8, 202 and 811 programs - all of which competitively target the very low and low income. The revisions do not exclude the development of projects at "market rate" rents, which are often times are affordable to low income households, based upon the HUD Maximum rents, as adjusted for family size.

TABLE II-16 - REVISED
SITES SUITABLE FOR MULTI-FAMILY INFILL DEVELOPMENT
Vacant Sites

The following sites are the most suitable for multi-family development and could be the City's first priority for consideration based upon information known about the sites at the time of the survey.

Site No.	Size (acres)	Location	Parcel No.	Total units	Low inc. units	V.Low inc units	Units /acre
4.	1.57	Hardin Road	026-41-60	19	11	8	12
5.	2.53	Fig Road	026-41-58	30	18	12	12
8.	0.77	R Street	026-26-20	9	5	4	12
9.	0.85	Eucalyptus/Merced	128-22-16, 20	17	10	7	20
10.	1.58	Prince Road	026-16-01	32	20	12	20
12.	0.98	Orestimba	026-26-25	12	10	2	12
17.	0.47	Driskell	128-20-03	6	5	1	12
Subtotals				**125**	**79**	**46**	

The following sites do not currently have the necessary infrastructure needed for development, and would therefore be considered as second priority for development.

1.	10.14	Hardin & Jensen	026-34-16, 17	154	92	62	12
2.	10.00	Fig Lane	026-49-01	120	70	50	12
3.	9.00	Hardin Road	026-41-46	108	65	43	12
6.	4.77	West Mariposa	026-26-17	57	34	23	12
7.	4.77	West Mariposa	026-26-20	57	34	23	12
11.	1.00	Orestimba	026-26-02	12	8	4	12
Subtotals				**508**	**302**	**206**	
Total Multi-family Units (Vacant Units)				**633**	**381**	**252**	

Source: City of Newman Affordable Housing Study, January 1992, and City of Newman Market Study, July 1994.

As part of the *Affordable Housing Study,* a proforma was prepared for each site which identifies the number of units, number of lower-income units, and the costs required to construct the project, and the subsidy that would be required. These proformas are intended to serve as a guideline for the developers of affordable housing.

The sites in Table II-17 are underutilized (i.e., large parcels with only one housing unit). Underutilized sites should be considered a priority after development of the vacant sites.

TABLE II-17 - REVISED
SITES SUITABLE FOR AFFORDABLE MULTI-FAMILY HOUSING DEVELOPMENT
Underutilized Sites

The following underutilized sites have city services.

Site No.	Size (acres)	Location	Parcel No.	Total units	Low inc. units	V.Low inc units	Units /acre
G.	4.97	West Ave	026-28-07	60	28	14	12
H.	4.57	Merced Street	128-02-20	57	12	13	12
I.	0.88	Prince Road	128-25-01	11	2	2	12
K.	3.54	M Street	128-20-01, 02	42	20	12	12
L.	1.93	Merced Street	049-50-44	23	12	8	12
M.	1.51	Merced Street	049-50-48	18	9	3	12
Subtotal				**211**	**83**	**52**	

The following underutilized sites do not currently have the necessary infrastructure needed for development, and would therefore be considered as last priority for development.

A.	4.96	Hardin Road	026-34-21	60	12	14	12
B.	4.77	Orestimba	026-26-01	57	12	13	12
C.	2.77	West Mariposa	026-41-46	33	6	7	12
D.	4.82	T Street	026-26-27, 16	58	12	13	12
E.	4.77	West Mariposa	026-26-18	57	12	13	12
J.	2.38	Prince Road	026-16-07	29	17	12	12
Subtotal				**294**	**71**	**72**	
Total Multi-family Units (Underutilized)				**505**	**154**	**124**	

Source: City of Newman Affordable Housing Study, January 1992, and the City of Newman Market Study, July 1994.

Infill Sites/Manufactured Housing

The *Affordable Housing Study* also considered the development of manufactured single family or duplex housing on existing vacant lots or on lots with a deteriorated unit. In this strategy, a developer can either buy vacant lots or buy and tear down condemned houses. If the manufactured home is sited on a lot with an existing home the developer is able to forgo partial building permit fees, utility hook-ups and school fees, potentially saving as much as $5,000 per unit.

The proformas for these sites estimated a cost of less than $60,000 per unit. The price of the home includes foundation, installation, utility hook-ups, construction of an attached garage, sidewalks, front steps and patio and driveway. The exteriors can feature eaves, shingled roofs and wood siding. New design and architectural improvements of manufactured housing create dwellings compatible with surrounding single family neighborhoods.

If several units are developed together, some could be specifically set aside for low income households. The units and financing can also be structured to provide affordable homeownership opportunities through a lease-purchase program.

Table II-18 lists infill vacant sites identified in the affordable housing site inventory (see Figure II-3) that may suitable for development of single or duplex dwellings. Economies of scale can

be realized by developing several sites simultaneously. Ten to fifteen low- to moderate-income units could be developed on these lots depending on site size and configuration of the lots.

TABLE II-18
VACANT SINGLE FAMILY INFILL SITES

Site No.	Acres	Location	Parcel No.
13.	0.17	Q Street	128-08-64
14.	0.28	O street	128-13-09,10
15.	0.16	Yolo Street	128-13-19
16.	0.17	R Street	128-06-34
18.	0.17	Fresno/P St	128-10-48
19.	0.14	S Street	128-03-34
20.	0.16	Inyo Ave	128-03-52
21.	0.24	Upper Road	128-08-72

Source: City of Newman *Affordable Housing Study,* January 1992.

Self Help Enterprises

Self Help Enterprises, along with the City of Newman was awarded a Community Development Block Grant to assist in the development of affordable new home construction. Self-Help relinquished their option on the Upper Road and purchased an alternative site known as the "Silva Ranch Subdivision". The Silva Ranch Subdivision contains 52 single-family lots on 13 acres.

The primary reason for the site transfer was that the Silva Ranch Subdivision is more feasible to develop than the Upper Road site. The feasibility for the project included a site that was already within the incorporated city limits, as well as an approved development application (Vesting Tentative Map). Furthermore, because of the site's Vesting, city development fees total approximately $6,000 per unit as opposed to approximately $10,000 per unit for the non-vested sites. In addition, because of the Vesting the site is exempt from supplemental school fees ($4,000/unit) and the County Development Fees ($2,600/unit).

Due to the lower development costs, along with the assistance from State HCD CDBG funds and the City of Newman Redevelopment Agency, assistance will be provided to 20 Targeted Income Group (TIG) households, and will also allow additional TIG households to participate in the program. In addition, this may enable the project to service those most in need of assistance - the lowest Targeted Income Groups to a number beyond the 14 households as originally planned.

Second Units

Additional sites are available for the development of second units. A second unit is a self-contained living unit, either attached to or detached from the primary residential unit on a single lot. It is also know as a "granny-flat," "in-law unit," or an "accessory dwelling." State law permits second units and establishes minimum standards for their development. Newman can adhere to the state standards or develop its own second unit ordinance tailored to the needs of Newman.

Second units represent an important source of affordable housing since there are no land costs and they often occupy unused space on large lots, allowing elderly homeowners to supplement their

income and to remain in their own homes while providing affordable housing. Community Development Block Grant (CDBG) funds can be used to assist homeowners in creating or legalizing second units. The City could also adopt an amnesty program for legalizing existing second units *and give consideration to development of financial assistance for second units*.

Services

The availability of the various public facilities and services required to support residential development is discussed in detail in Chapter VI, Public Facilities and Services. The findings of Chapter VI are summarized below.

Water

Newman's drinking water is supplied by groundwater. During 1991, the system pumped an average of 1 to 1.5 million gallons per day. Its maximum pumping capacity was 3 million gallons per day supplied by three wells. The City levies fees on new development to extend the water system and to develop new wells.

Wastewater

The City's sewer collection system is generally in good condition. Its outfall lines can accommodate a 5 million gallon per day peak flow, which is sufficient to handle current development and would accommodate substantial additional development. The City's sewage treatment plant is currently undergoing expansion. The expansion will increase sewer treatment plant capacity to 1.7 million gallons per day, to serve a population of up to 10,500.

Drainage

The City's storm drain system is adequate to serve existing development and could accommodate infill development in the city. Additional development will require installation of new facilities and the upgrading of some existing facilities in order to provide adequate drainage.

Schools

Von Renner Elementary School, the only elementary school in Newman, was at its capacity as of August 1992. A new elementary school in Newman is proposed to be completed by 1994 at the soonest. While enrollment at the junior high and high school was within the schools' capacity as of August 1992, further residential growth will necessitate the development of new schools and/or the expansion of all schools within the city.

GOVERNMENTAL CONSTRAINTS ON THE PRODUCTION OF HOUSING

While local governments have little influence on such market factors as interest rates, their policies and regulations do constrain the free operation of the housing market. For the most part, local regulations play a legitimate role in protecting the public's health, safety, and welfare. In some cases, however, local regulations may restrict the operation of the housing market unnecessarily. Examination of the local regulatory structure can highlight those areas of potentially "excessive" regulations and identify where steps can be taken to remove or minimize obstacles to residential development.

Land Use Controls

Discretionary control over land use in Newman is currently exercised by the Planning Commission, City Council, and the City's Planning Department through the *General Plan*, *Zoning Ordinance*, and other implementing ordinances. These documents and ordinances are described in Chapter I, Land Use.

The City of Newman's development standards for new residential development are meant to ensure compatibility between land uses and to maintain the livability and safety of its neighborhoods. The City has included policies and programs in its zoning regulations and development standards that address the community's interest in preserving and expanding its affordable housing stock. Development standards include parking standards, building setback requirements, and construction of certain on-site and off-site improvements such as curbs, gutters, and sidewalks as described in Part I of the General Plan Policy Document and under zoning in the Land Use section of the Background Report.

These standards are considered the minimum standards designed to protect the public health, ensure compatibility between adjacent land uses, and to maintain as well as to enhance the livability of Newman's neighborhoods. Further, the density bonus provisions provide the opportunity for flexibility in the development standards when units of affordable housing are being included in a plan. This allows for evaluation of alternatives and reduces constraints that may otherwise exist for the development of housing.

The City of Newman has three residential zones: R-1, R-2, and R-3 and a P-D, Planned Development zone. The R-1 zone allows single-family development with a minimum interior lot size of 6,000 square feet, with an average density of 5 dwelling units per acre. The R-2 and R-3 zones allow duplex and multi-family developments on minimum interior lot sizes of 6,000 square feet. The average multi-family development densities are 12 and 20 dwelling units per acre respectively. In addition, the City grants Planned Development (P-D) zoning to allow for development options beyond what is allowed in the standard residential zones (i.e. small lot patio housing, higher density senior housing). Density bonuses also afford further opportunity to increase densities above the otherwise allowable ranges to accommodate the City's share of the lower-income housing need.

The minimum lot sizes, average permitted densities, density bonus and provisions for allowing second units with use permit, together with the special provisions of the Planned Development Zone, are all aimed at eliminating potential constraints on the development of affordable housing while maintaining the integrity of the development and the community character.

Through the Land Use and Housing policies the City seeks to maintain an overall mix of 75 percent single family and 25 percent multi-family units in its housing stock. This ratio is not intended to be a capacity or maximum for any particular development but rather it is an overall community ratio. The July, 1990 land use survey shows 85.6 percent of the units within the City of Newman to be single family units. In striving to attain the stated mix of housing types this policy affords the opportunity for a higher percentage of new multi-family units. This provision is further enhanced by the provisions of the Neighborhood Planned Residential designation which provides that such development shall contain a full range of residential densities; at least 35 percent of new residential units shall be developed as multi-family residential. Other residential zones also afford opportunities for greater densities which would tend to imply opportunity for more multi-family units to meet the needs of the lower-income groups. This policy identifies an overall mix of

housing types in the community within the context of the existing character of the community and the need for affordable housing.

Newman has defined a community identity in its older areas and its desire to maintain the character of the historic districts. The community design element defines the importance of new and rehabilitated structures which are compatible with existing neighborhood scale and character. These provisions provide guidance to developers and contractors at the preliminary planning stage of their projects so that design features reflect the scale and character of adjacent uses. The design review is incorporated into the standard project review process to avoid delays in the expeditious processing of projects. Limitations on architectural style are central to the maintenance of the fabric and character of the neighborhood which make it an asset to the community and a desirable living environment.

As with the issue of compatibility of new units in older neighborhoods, the community has also defined value in the appearance of its gateways and circulation corridors. Landscaping is proposed to enhance these areas and the overall appearance of the community with potential provision of a citywide maintenance district to maintain the areas. These amenities may serve as a constraint on the development of affordable housing, depending on the extent of the improvements and cost to maintain them. The plan does identify means to minimize maintenance costs through the selection of materials and irrigation systems. The zoning ordinance affords opportunity for developers to have density bonuses and other incentives which can off-set the cost of the amenity improvements.

Building and Housing Codes

Building and housing codes establish minimum standards and specifications for structural soundness, safety, and occupancy. The State Housing Law requires cities and counties to adopt minimum housing standards based on model industry codes.

Code enforcement and inspection services within Newman are contracted out by the City. The City relies on the following uniform codes: the *Uniform Building Code*, *Mechanical Code*, *Uniform Plumbing Code*, and *Code for Abatement of Dangerous Buildings*, and *National Electrical Code*. The City has not adopted amendments to these uniform codes that operate as a significant constraint on the production of housing.

Code enforcement for existing buildings focuses primarily on nuisance abatement and condemnation of unsafe structures. Cities and counties pursue code enforcement in several ways, including:

> Complaint-Response: The City may inspect buildings for deficiencies only upon receipt of complaints by neighbors or tenants.
>
> Change of Occupancy for Rental Properties: A city may issue occupancy permits that require inspection and code compliance at time of turnover.
>
> Systematic: Code enforcement on a systematic basis with provision for financial assistance is especially appropriate in areas where strong and supportive neighborhood groups exist, the majority of homes are owner-occupied, housing is relatively sound, and income levels are moderate-income or above.
>
> Pre-Sale and "Truth in Sale": Pre-sale enforcement would require code inspection and violation abatement prior to sale of a home. A "truth in sale" ordinance would require

information concerning code violations, zoning status, and property taxes to be provided to the buyer.

Concentrated Code Enforcement: Code inspections may be conducted on a systematic basis through certain areas or for specific properties (such as rental or multi-unit residences).

The City's enforcement activities are divided among three responsibility groups: new construction, maintenance, and nuisance abatement. New construction enforcement, as its name implies, applies to new buildings or construction projects for which building permits are required. Maintenance enforcement applies primarily to commercial and industrial projects and is conducted in conjunction with the granting of business licenses. Nuisance abatement is generally conducted on a "complaint-response" basis and typically concerns such problems as unsanitary conditions and unsafe structures.

Primarily because of the lack of adequate replacement housing, the City has not been aggressive in its efforts to enforce housing-related codes as they apply to existing buildings.

TABLE II-19
PLANNING FEES
City of Newman
1998

General Plan Amendment	$510
Specific Plan	Actual cost
Rezone	$550
Rezone to Planned Development (PD)	$825[1]
Zoning Ordinance Amendment	$760
Tentative Subdivision Map	$590[2]
Final Subdivision Map	$375
Tentative Parcel Map	$275
Final Parcel Map	$75
Lot Line Adjustment	$175
Certificate of Compliance	$190
Use Permit	$185
Home Occupation Use Permit	$90
Variance	$340
Environmental Review	$75
Environmental Impact Report	Actual cost
Time Extension	$75
Appeal	$150
Annexation and Prezone	$850[3]
General Plan Amendment/Rezone	$750

[1]$275 refunded if project is completed. Otherwise will be used to zone property back to original zoning designation
[2]Plus actual cost by City Engineer
[3]Plus all of the following: 1. Election costs if one is necessary; 2. LAFCO filing fee and State Board of Equalization fee; 3. Maps and legal description that accompanies with State Board of Equalization and LAFCO standards; and 4. $250 if protest hearing is required.

Source: City of Newman, Ordinance No. 89-18

Local Permit Processing Fees

State law requires that permit processing fees charged by local governments not exceed the estimated actual cost of processing the permits. Table II-19 lists the fees charged by the City of Newman for processing various land use permits.

Development Fees

In addition to the fees that the City assesses to process planning related permits, it also charges various fees related to actual development of projects. Table II-20 lists Newman's development fees.

TABLE II-20
DEVELOPMENT FEES
City of Newman
August 1998

Water Connection	
Single Family Dwelling	$1,035 per unit
Multi-Family Dwelling	$690 per unit
Commercial/Industrial	Determined by Council
Sewer Connection	
Single Family Dwelling	$2,330 per unit
Multi-Family Dwelling	$2,220 per unit
Commercial/Industrial	Determined by Council
Municipal Facility Fees	
Single Family Dwelling	$$1,387 per dwelling
Duplex and Multi-Family Dwelling	$1,248 per unit
Apartment or Condo Units	$1,100 per unit
Park Development Fees	
Single Family Dwelling	$1,600 per unit
All Other Units	$1,280 per unit
Street & Road Impact Fee[1]	$1,300 per residence
School Impact Fee[1]	$5,718 per residence

Notes: 1 Levied by Newman-Crows Landing Unified School District
Source: City of Newman Development Fee Schedule, 1998; Newman-Crows Landing Unified School District

In addition to City development fees, Stanislaus County levies development fees on residential and non-residential development on a countywide basis, including development that takes place in incorporated cities. Countywide fees fund roads, jails and courts, library, parks, public health, and other costs. Table II-21 lists the countywide development fees for residential uses.

TABLE II-21
COUNTYWIDE DEVELOPMENT FEES
City of Newman
January 1992

	Inter-City Roads	Jails	Justice	Library	Parks	Public Health	Out-Patient	Other Facility	Fee Admin.	Total Fee
Single Family	$577	$1,059	$102	$349	$131	$112	$57	$144	$63	$2,594
Multi-Family	386	685	66	226	85	77	39	93	41	1,698
Senior Housing	230	331	32	109	41	37	19	45	21	865

Source: Stanislaus County, *Public Facilities Fees Administrative Guidelines*, March 1990

Permit Processing Times

The time lines with which the City processes the various permits and applications necessary for residential development can affect the overall cost of housing. The minimum processing time for residential development project applications in Newman is determined by state requirements for environmental review and public notice and by the meeting schedules of the Planning Commission and the City Council. The maximum time for processing residential development permits is set by state law (*California Government Code* §65929 *et seq.*). The statutory time limit for completion of environmental review and approval or denial of a permit application starts when an application is accepted by the lead agency (i.e., the City) as complete. The lead agency then has one year in which to approve or disapprove a project for which an EIR will be prepared or six months for projects for which no EIR is prepared.

The City currently processes residential development applications in the shortest possible time, given requirements for environmental review, public notice, and the schedules of the Planning Commission and City Council.

On- and Off-Site Improvements

Land improvements can be categorized as those designated to modify the existing parcel of land, an on-site improvement, or those to modify the exterior, or off-site areas. On-site improvements include such items as required off-street parking, fences, and landscaping to control access and/or noise. Such public off-site improvements include curbs, gutters, sidewalks, pavement, adequate drainage, street lighting, and street trees. These have been deemed necessary to maintain the public health, safety, and welfare standards for a residential community.

Conclusion

Much of the regulation and fees that accompany the development of housing act to increase the cost of housing and constrain the availability of affordable housing. Yet these regulations and fees are needed to protect city residents from the otherwise externalized effects and costs of development. In Newman, the City's regulations do not pose any unnecessary constraints to the production of affordable housing.

NONGOVERNMENTAL CONSTRAINTS ON THE PRODUCTION OF HOUSING

The availability of housing is strongly influenced by market factors over which local government has little or no control. State law requires that the housing element contain a general assessment of

these constraints. This assessment can serve as the basis for actions which local governments might take to offset the effects of such constraints. The primary market constraints to the development of new housing are the costs of constructing and purchasing new housing. These costs can be broken down into four categories: materials, labor, land, and financing. Newman can be considered as part of a very broad general housing market that includes the Central Valley area. For the most part, housing cost components in Newman are comparable to those in other parts of the general market area. The following paragraphs briefly summarize these components vis-a-vis the local market and the statewide market.

Material Costs

A major component of the cost of housing is the cost of building materials, such as wood and wood-based products, cement, asphalt, roofing materials, and plastic pipe. Prices for these goods are affected primarily by the availability and demand for such materials.

Because the Central Valley is served by such a well-developed regional transportation network and because many of the materials needed for construction are produced in the region, availability of materials is excellent. The demand for building materials is also very high because there is so much housing development occurring in the area. The result of the combination of excellent supply and high demand is a very competitive market and, therefore, relatively low prices. In addition, the land in Newman which is most likely to be developed in the future for housing is well-suited for the kind of large projects which allow developers to realize economy-of-scale savings on materials.

The costs of building materials in the Central Valley in general and in Newman in particular are relatively low and, therefore, do not constitute a constraint to the development of affordable housing.

Cost of Labor

Another major cost component of new housing is labor. Inflated labor costs due to high wage rates significantly increase the overall cost of housing in some markets. The cost of labor in Newman is, however, relatively low for a number of reasons. Overall, the Central Valley's cost of living is relatively low; wage scales in the area, therefore, tend to be somewhat lower than in markets with higher living costs, such as the San Francisco Bay Area. Also labor is generally less costly because the area is predominantly non-union. Labor in highly unionized markets is typically more expensive.

Land Costs

Costs associated with the acquisition of land include the market price of raw land and the cost of holding land throughout the development process. These costs can account for as much as half of the final sales prices of new homes in very small developments or in areas where land is scarce. Among the variables affecting the cost of land are its location, its amenities, the availability of public services, and the financing arrangement made between the buyer and seller.

Because of the abundant availability of relatively inexpensive farmland in the area, land costs in the Central Valley housing market area are generally low. Based on information gathered as part of the *Affordable Housing Study,* the cost for improved land in Newman is roughly $4.00 per square foot, or about $24,000 for a typical 6,000 square foot lot. Unimproved land costs are much less, running $30,000 to $40,000 an acre.

Cost and Availability of Financing

The cost and availability of capital financing affect the overall cost of housing in two ways: first, when the developer uses capital for initial site preparation and construction and, second, when the home buyer uses capital to purchase housing.

The capital used by the developer is borrowed for the short-term at commercial rates, which are considerably higher than standard mortgage rates. Commercial rates nonetheless drop when the overall market rates decrease, so low interest rates have a positive effect on the housing construction market.

The home buyer uses capital financing in the form of long-term mortgage loans. Market rates for standard fixed-rate home loans were about 8 percent in August 1992. Table II-22 shows how the variation in interest rates affects the buyer's monthly mortgage payments on a range of loan amounts.

TABLE II-22
MONTHLY MORTGAGE PAYMENTS

Interest	ORIGINAL LOAN AMOUNT				
Rate (%)	$70,000	$80,000	$90,000	$100,000	$150,000
7.0%	$465.71	$532	$599	$665	$998
7.5	489	559	629	699	1,049
8.0	514	587	660	734	1,101
8.5	538	615	692	769	1,153
9.0	563	644	724	805	1,207
9.5	589	673	757	841	1,261
10.0	614	702	790	878	1,316
10.5	640	732	823	915	1,372
11.0	667	762	857	952	1,428
11.5	693	792	891	990	1,485
12.0	$720	$823	$926	$1,029	$1,543

Note: Based on a 30-year, fixed-rate mortgage, not including real estate taxes and home insurance. These costs add about 2 percent of the sales price annually.
Source: J. Laurence Mintier & Associates

Table II-23 relates loan interest rates to home loan affordability at various income levels. The figures in the table are based on principal and interest equaling 25 percent of the gross income and do not include taxes and insurance, which could add approximately 15 percent to the monthly payments. Most lenders, however, are qualifying buyers somewhere between 28 and 36 percent of total income. Table II-23, therefore, provides only a rough estimate of loan affordability.

TABLE II-23
INCOME/LOAN AMOUNT AFFORDABILITY

Interest Rate	ANNUAL INCOME $20,000	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000
7.0%	$75,154	$93,942	$112,731	$131,519	$140,913	$150,308	$169,096
7.5%	71,509	89,386	107,263	125,140	134,079	143,018	178,772
8.0%	68,142	85,177	102,213	119,248	113,570	127,766	141,962
8.5%	65,027	81,284	97,540	113,797	108,378	121,925	135,473
9.0%	51,784	64,730	77,676	90,622	103,568	116,514	129,460
9.5%	49,553	61,941	74,329	86,106	99,106	111,494	123,882
10.0%	47,480	59,349	71,219	83,089	94,959	106,829	118,699
10.5%	45,550	56,938	68,325	79,713	91,101	102,488	113,876
11.0%	43,753	54,691	65,629	76,567	87,505	98,443	109,382
12.0%	40,503	50,635	60,761	70,888	81,015	91,142	101,269
13.0%	37,667	47,083	56,500	65,916	75,333	84,750	94,166
14.0%	$35,166	$43,957	$52,748	$61,450	$70,331	$79,122	$87,914

Source: J. Laurence Mintier & Associates

The availability of financing is another important consideration, particularly for the builder. The cost of financing is irrelevant if lenders are unwilling to lend money to developers in a particular market. In Newman, financing is readily available to qualified buyers.

PUBLICLY-OWNED SURPLUS LAND

According to state law, all public agencies intending to dispose of surplus land must first send a written offer to any local agencies within whose jurisdiction the land lies offering to sell or lease the land for the following purposes: recreation or open-space uses; enterprise zone uses; schools; or development of low- and moderate-income housing. In the event that the agency disposing of the land receives more than one offer, it shall give first priority to the entity which agrees to use the site for development of low- or moderate-income housing, unless the land is already being used for park or recreation uses, in which case the entity offering to continue these uses shall receive priority (*California Government Code* §54220 *et seq.*). There is no publicly-owned surplus land in Newman suitable for residential development.

ASSISTED HOUSING DUE TO CONVERT TO MARKET-RATE HOUSING

Starting in 1992, housing elements are required by state law to include an analysis of assisted multifamily housing units due to convert to market-rate housing. The analysis is to cover the period starting at the statutory date for housing element revision and run for the following 10-year period. Most low- and moderate-income housing units assisted through either a federal, state, or local housing program qualify as assisted housing. The analysis should include information regarding the earliest date of subsidy termination, the estimated cost of preserving the low-income status of the units, the estimated cost of replacing the units, and an analysis of financial options for funding preservation or replacement of the units.

Valley Manor Apartments, a 48 unit senior housing project, was completed in March of 1982. The project was constructed under an FHA 221(D)(4) contract, and is not eligible for mortgage prepayment for the term of the loan; however, the owner may elect not to continue the Section 8 subsidy after March 31, 2002, which is at the very end of the second five-year period required to

be included in the analysis of units at risk of conversion to market rate uses for this planning period. The program responses in the next scheduled revision of this housing element should address the need to continue the affordability of the units but are not required to address mortgage prepayment issues.

RESIDENTIAL ENERGY

Residential energy conservation measures can take two forms: those applied to the construction of new housing and those added to existing housing to increase energy efficiency (retrofitting).

State law requires local governments to implement energy conservation standards for all new residential development. Under these requirements, every new residential building constructed must meet rigorous building standards for heat gain and heat loss. In mandating these requirements, the State has largely preempted the authority of local governments to regulate building construction with respect to energy conservation.

Pacific Gas & Electric Company (PG&E) sponsors various energy conservation programs, including the Direct Weatherization Program for low-income residents and T-Cap, a program for replacing outdated furnaces for elderly residents. In addition to these programs, PG&E also provides free energy audits for all their customers.

Self-Help Enterprises provides weatherization grants for the poor and elderly in the county.

HOUSING PROGRAMS IN NEWMAN

Programs to support the development and provision of affordable housing in Newman are generally sponsored by the Stanislaus County Housing Authority and through state Community Development Block Grants.

Stanislaus County Housing Authority

The Stanislaus County Housing Authority administers the Section 8 Rental Subsidy program in Stanislaus County. In 1990, there were about 3,000 certificates being used countywide, only 8 of which were being used in Newman. The Housing Authority estimates that there are 27 applications in Newman pending. One of the reasons that there are so few in Newman is the limited number of rental units available.

The Stanislaus County Housing Authority also owns and operates 16 conventional low-income housing units in Newman on Merced Street.

Community Development Block Grant

In July 1990, the City of Newman received a Planning and Technical Assistance grant from the State Department of Housing and Community Development (HCD) to conduct a housing conditions survey. The objectives of the survey were to assess the condition of Newman's housing stock, identify units in the city in need of rehabilitation, and to identify potential rehabilitation resources as a basis for future City rehabilitation efforts. In addition, under the HCD grant, the City conducted an interest survey to determine the level of interest in specific rehabilitation and housing subsidy programs for lower-income households and households with special needs. This survey provided information needed by the City to apply for State and Federal Housing Program Funds.

In June 1992, the City received $500,000 grant to administer a City housing rehabilitation program. The program will involve grants of up to $10,000 and loans of up to $40,000 to rehabilitate single family, multi-family, and second units for low- and very-low income households.

As part of the Planning and Technical Assistance grant, the City also undertook an Affordable Housing Site Analysis to identify and evaluate sites that may be suitable for the development of lower-income households. The City also conducted a feasibility analysis to assess the financial feasibility of developing various types of housing and strategies or subsidies that could be used to develop affordable housing.

IMPLEMENTATION OF 1984 HOUSING

State law requires cities and counties to provide an analysis of the progress made in implementing their previous housing element programs. This section lists the 1984 *Housing Element*'s housing programs and describes the City's actions in implementing each program, and then analyzes the appropriateness and success.

Review of General Plan and Zoning for Possible Revisions

The City initiated a comprehensive revision of its *General Plan* at the end of 1989 and adopted the revised plan in 1992. Modifications to the *Zoning Ordinance* will follow to implement the revised *General Plan*.

Review City Codes for Possible Revisions to Reduce Initial Costs of Development

Due to lack of City staff, the City has not undertaken a comprehensive review of municipal codes. Review will be made as part of the current *General Plan* update.

Submit Application to Receive Certification as Eligible for Home Ownership Improvement (HOHI) Low-Interest Loans

No application was made as this program was discontinued. As discussed previously, however, the City applied for and was awarded a Planning and Technical Assistance Grant to conduct a housing conditions survey as the basis for applying for future rehabilitation programs. The City successfully received a rehabilitation grant in July 1992.

Publicize the Availability of Low-Interest Loans and Programs

Information is available at City Hall upon request. As part of its Planning and Technical Assistance grant, the City surveyed Newman residents to determine interest in rehabilitation programs. The City will publicize its low-interest rehabilitation loans are available.

Maintain a Catalogue of Federal and State Housing Programs

As part of the Affordable Housing Study, the City prepared an updated catalogue and a feasibility analysis for the applicability of programs in Newman.

Review Development Plans Submitted in Conjunction with an Application for PD Zoning to Determine Feasibility of Reduction in Construction Costs. Such Proposals Could Include Reduced Parking Requirements, Increased Densities, etc.

The City reviews all PD Zoning proposals to consider these options.

Continue Deferred Public Improvement Agreements to Encourage Residential Infilling

This is current City policy.

Encourage Self-Help Enterprises to Aid in the Construction of More Single Family Homes in Newman

The City encourages Self-Help Enterprises and all non-profit housing developers to construct homes in Newman. As of 1992, Self-Help is actively considering the development of a site in Newman.

Maintain Existing Nuisance Ordinances to Prevent Residents from Contributing to Deterioration of Homes and Blighting of Neighborhoods

The City addresses nuisance abatement primarily for health and safety reasons because of staffing limitations and lack of replacement housing.

Assist the Newman-Crows Landing Arts Council in their Efforts to Maintain and Rehabilitate Historic Buildings in Newman

The City has supported the Newman-Crows Landing Arts Council in their historic rehabilitation efforts. The Arts Council, however, has not recently been very active in Newman.

Provide and/or Encourage the Provision of Technical Assistance to Home Owners doing their Repairs. Provide Information on Programs Available for Rehabilitation

Due to limited City staff, the City has been unable to provide direct technical assistance. As part of their rehabilitation program, the City will identify and publish information on rehabilitation programs.

Apply to Department of Housing and Urban Development for Community Development Block Grant Funds

The City applied for and received two Planning and Technical Assistance grants from the Community Development Block Grant program administered by the California Department of Housing and Community Development. The grants were used to identify and apply for other appropriate housing program grants and to devise economic development programs, which were also successfully obtained in 1992.

Continue Efforts to Upgrade and Expand Public Facilities and Services Necessary to Provide for the Health, Safety, and Well-Being of Residents, and Review Programs Available Through Other State or Federal Granting Agencies to Determine if Alternative Sources of Funding for Public Facilities are Feasible to Pursue

The City upgrades and expands public facilities on an ongoing basis as necessary. A new well is being developed during 1990 and another is planned for development in 1991 to increase the water supply, and an expansion of the City's sewer treatment plant is currently proposed.

Continue Community-Sponsored Neighborhood Improvement Programs, Such as "Spring Cleanup," "Street Improvement District," etc.

The City carries out these programs on an ongoing basis.

Develop a Redevelopment Plan

The City is in the process of establishing a redevelopment agency and project area. The plan is scheduled for adoption in late 1992. Based on predictions of the proposed redevelopment plan, an estimated $300,000 to $500,000 should be available for construction and rehabilitation of lower-income housing, most of which will not be available until 1994 and after. The Redevelopment Agency proposes to use nearly 40 percent of its tax increment for funding lower income housing.

Analyze the Possibility of Submitting for Voter Approval, a Referendum to Allow Construction of 30 Low Rent Family Housing Units to be Owned and Operated by the Stanislaus County Housing Authority as per Article 34 of the California Constitution

This project was never realized and the proposal was never submitted to public vote, pending possible changes in legislation.

Annex Land Adjacent to Existing Corporate Boundaries and Zone for Residential Uses, the Amount of Land Sufficient to Accommodate the City's Fair Share Allocation for New Units

The City has annexed additional substantial residential land, as described in Chapter I, Land Use, of this report. Newman exceeded its total new construction need for 1992 during 1990.

Maintain Sufficient Land Zoned Commercial and Industrial to Permit Economic Development Necessary to Provide Employment for New Households Identified in the Fair Share Allocation

The City has sufficient vacant commercial and industrial land available to serve new residential development. The City has approved 130,000 square feet of additional retail development, the majority of which will be located within an approved shopping center adjacent to downtown.

Support Countywide Established Programs that Deal with Housing Discrimination

The City supports such programs and directs residents with discrimination complaints to the proper agencies. The City has an adopted plan to affirmatively further State Fair Housing Objectives, including complaints of housing discrimination.

Analysis

The City was generally successful in implementing the programs of its 1984 *Housing Element*, especially those which involved routine review and ongoing ordinances. Some of the most successful programs were not implemented until 1989 and later, as part of its General Plan revision and through an *Affordable Housing Study* funded through a Planning and Technical Assistance Grant. Because of its small size, Newman has limited city staff to pursue housing programs, particularly in times of development interest because planning staff tends to be busy processing

development applications. Given the pace of development that took place in the late 1980s, limited staff resources were available to pursue these programs without additional staff or consultants.

Recognizing these limitations, the *Affordable Housing Study* included an analysis of the role of the City in applying for and implementing housing programs. The City's options for program administration include hiring additional staff or contracting this work to the County Housing Authority, non-profit agencies, or consultants.

City Staff

Many cities apply for funds and administer programs with their own staff. Newman's existing city staff is very limited. Excluding fire and police personnel, the City employs approximately 20 persons. About 12 of these are employed in public works and 4 are administrative support or clerical positions. Remaining staff includes the City Manager, Assistant City Manager, Finance Officer, and the Planning Director. Housing program administration in the near term is probably not achievable with Newman's existing City staff. The City could retain staff with expertise in affordable housing to administer housing programs in Newman. This may become more feasible as the city grows. As housing and redevelopment activity increases, Newman could develop in-house staff capacity to administer both housing and redevelopment programs.

Stanislaus County Housing Authority

The Stanislaus County Housing Authority operates various low-income programs and projects throughout the county. The Housing Authority is involved in direct administration of its own public housing throughout the county. The Housing Authority owns and manages 592 units of very-low-income housing, and 356 units of farm labor housing and administers 2,369 units assisted under the Section 8 rental assistance program.

In addition, because of its experience in developing and administering low-income housing programs, the Housing Authority can provide through a contract for administration housing programs for cities in Stanislaus County. The Housing Authority is currently developing a project in partnership with the City of Modesto and created and is administering a housing rehabilitation program using CDBG funds under contract with Stanislaus County.

The Housing Authority has the staff capability and experience to establish and administer low-income housing rehabilitation programs and new development projects. The Housing Authority and other entities have submitted formal proposals to the City for implementation of CDBG grant for new construction and rehabilitation.

Non-Profit Agencies

Only two non-profit housing agencies are currently operating in Stanislaus County.

a. Self-Help Enterprises

Self-Help Enterprises is a non-profit corporation formed in 1965. Self-Help Enterprises is based in Visalia but also maintains offices in Madera and Modesto.
Self-Help has extensive experience in establishing and operating rehabilitation programs and currently operates programs for a number of cities including Patterson, Atwater, Avenal, Chowchilla, Dinuba, Exeter, Livingston, and Hanford to name a few.

Self-Help also has extensive experience in developing low-income single family ownership housing that assists families in building their own homes. Self-Help may also have the capability to develop low-income multi-family housing projects in the future.

b. Stanco

Stanco is a new nonprofit corporation formed in 1990 based and in Modesto. It has not yet directly implemented affordable housing programs.

c. New Local Non-profit Housing Development Corporation

The City could encourage and support the establishment of a locally-based nonprofit with a board of directors comprised of Newman residents knowledgeable about the city and affordable housing development.

Consultants

There are a number of private consultants with the expertise to administer a range of low-income housing activities including rehabilitation and new development. Consultants could be retained by the City to administer all or portions of programs and projects or to provide technical assistance to City staff.

The *Affordable Housing Study* recommended that the City consider retaining an experienced consultant to provide technical assistance to City staff in the formative stages of the housing programs. By using consultants or other agencies, the City's workload would be minimized and could be handled by existing staff. The activities for which the City itself would take direct responsibility might include designating the project areas, establishing eligibility requirements, approving final loans, collecting loan repayments, monitoring the consultants, and providing regular reports to the City Council and various funding agencies. As the City grows, and housing program and redevelopment activity increase, the City may consider the addition of in-house staff to manage housing programs.

FINDINGS

Newman's annual housing growth rate fluctuated during the 1980s. Newman experienced two periods of significant housing growth: during the early 1980s, with a peak between 1981 and 1982, and recently, from 1989 to 1990, when the housing stock increased by over 16 percent. Newman's recent housing growth is attributable primarily to residential demand created by commuters to Bay Area employment centers.

Newman's housing stock has historically been composed primarily of single-family homes; single-family units represented almost 85 percent of the city's total units in 1990.

In 1990, about 67 percent of Newman's housing stock was owner-occupied, while 33 percent was renter-occupied, a higher rate of ownership than evidenced countywide.

Newman's vacancy rate was nearly 12 percent in 1990. The California Department of Housing and Community Development considers a vacancy rate of 4 to 5 percent to be ideal.

According to the 1990 Census, 16.8 percent of Newman's occupied housing units were overcrowded. This was higher than either the countywide rate of 10.6 percent and the statewide rate of 12.3 percent.

The average population per household in Newman was 3.09 in 1990. Newman's household size has increased moderately since 1980, when it was 2.70, and has consistently been very close to the countywide average.

Based on the City's housing condition survey, many of the city's older units are in need of at least some minor rehabilitation. The City has received a grant from the State Department of Housing and Community Development (HCD) to conduct a rehabilitation program.

Newman had a much lower incidence of overpayment for housing by lower-income housing in 1990 than either the county or the state.

As of July 1990, there were approximately 170 acres of vacant or agricultural land designated for residential uses within the city limits. A maximum of 9,082 new units, however, could potentially be constructed under the 1992 *General Plan* land use designations.

Recently, Newman and other West Side communities have begun to experience pressure to develop housing to accommodate Bay Area commuters who move to the area for its affordable housing and more rural lifestyle. The increased demand for housing and higher incomes of Bay Area wage-earners have led to rising housing prices in Newman. Local wages in Newman and throughout Stanislaus and Merced Counties have not increased at the same rate as housing prices, thus it is becoming increasingly difficult for locally-employed residents to afford to purchase or rent housing in Newman.

As of August 1990, sales prices of new homes in Newman ranged from approximately $130,000 to $190,000. Costs for older homes, which tend to be smaller and have fewer bedrooms than the new homes constructed, ranged from the high $90,000s to the low $120,000s, averaging between $95,000 and $110,000.

The overall effect of the various governmental and non-governmental constraints is relatively insignificant in Newman. Primarily because of low land costs, housing can still be produced more cheaply in the area than it can in other parts of the state.

PERSONS CONSULTED

Boranian, Marlene, Supervisor, Section 8 Program, Stanislaus County Housing Authority
Brady, Mike, Chief, Newman Police Department
Borchard, Robert, Planning, City of Newman
Jett, Lora, Director, Section 8 Program, Stanislaus County Housing Authority
Vizzolini, Bob, Real Estate Agent, McNaughton Realty
White, Marshall, Manager, Newman Senior Citizen Complex
Williams, Glee, Real Estate Agent, Stephens Realty
Taczanowsky, Edward, Building Industry Association of Central California
Blom, Marjorie, Stanislaus County Affordable Housing Corporation (STANCO)

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GLOSSARY

Condominium - Ownership that enables a person to own an apartment or house in a development of similar units and hold a common or joint-ownership in common areas, hallways, entrances, elevators, etc. The owner has a deed to the individual unit, and, very likely, a mortgage on the unit, and also holds a common or joint ownership in all common areas, such as grounds, lobbies, and elevators. A condominium unit need not be occupied by the owner to be counted as such.

Dwelling Unit - One (1) or more habitable rooms which are designed to be occupied by one (1) family with facilities for living, sleeping, cooking, eating, and sanitation.

Family - Two or more persons, including the householder, who are related by birth, marriage, or adoption, and who live together as one household.

Gross Rent - Contract rent plus the estimated average monthly cost of utilities (water, electricity, gas) and fuels (oil, coal, kerosene, wood, etc.) to the extent that these are paid for by the renter (or paid for by a relative, welfare agency, or friend) in addition to the rent.

Household - The person or persons occupying a housing unit.

Housing Units - A house, apartment, mobilehome or trailer, group of rooms, or single room occupied as a separate living quarter or, if vacant, intended for occupancy as a separate living quarter. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall.

Income Levels - Income categories are defined with respect to the area or county median income and are adjusted for household size, as follows:

Very Low Income - Less than 50% of the area of county median income.

Other Lower Income - Between 51% and 80% of the county median income.

Lower Income - Less than or equal to 80% of the county median income (i.e., combination of very low income and other lower income).

Moderate Income - Between 81% and 120% of the county median income.

Above Moderate Income - Above 120% of the county median income.

Mean - The average of a range of numbers.

Median - The mid-point in a range of numbers.

Multi-family Dwelling Unit - A building or portion thereof designed for or occupied by two (2) or more families living independently of each other, including duplexes, triplexes, quadruplexes, apartments, and condominiums.

Overcrowding - Households or occupied housing units with 1.01 or more persons per room.

Single Family Dwelling - A building or buildings designed for or occupied exclusively by one (1) family, excluding a mobilehome. Includes both detached and attached (townhouses) single family units.

Year-Round Housing Units - All occupied units plus vacant units intended for year-round use, but excluding vacant units held for seasonal use or migratory labor.

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Attachment "B"

SECTION III

HOUSING

GOALS AND POLICIES

Goal III.A: To promote development of a balanced range and mix of housing types for all economic segments of the community.

Policies:

III.A.1. The City shall endeavor to maintain an adequate supply of residential land in appropriate land use designations and zoning categories to accommodate Newman's fair share of projected regional growth, maintain normal residential vacancy rates, and minimize residential land costs.

III.A.2. The City shall seek to maintain an overall mix of 75 percent single family and 25 percent multi-family units in its housing stock.

III.A.3. The City shall strive to provide for its fair share of the region's housing needs.

III.A.4. The City shall require development of a mix of housing types throughout the city in order to increase residential choices and to promote social and economic integration.

III.A.5. Housing affordable to low- and moderate-income families shall be dispersed throughout the community and incorporated into new development.

III.A.6. The City shall encourage the construction of rental units with three or more bedrooms to accommodate larger households and reduce overcrowding.

III.A.7. The City shall actively promote infill residential development where adequate public facilities and services are already in place.

III.A.8. While promoting the provision of housing for all economic segments of the community, the City shall seek to ensure the highest quality in all new residential development.

III.A.9. The City shall pursue all available state and federal funding assistance that is appropriate to Newman's needs to develop housing that is affordable to low- and moderate-income households. As appropriate, the City shall work with other local jurisdictions and agencies to form a consortium to take advantage of state and federal funding programs.

III.A.10. The City shall consider use of Tax Exempt Mortgage Revenue Bonds, Mortgage Credit Certificates (MCCs) and support the use of other financing techniques such as FHA insurance for multifamily development, Low Income Tax Credits, State Rental Housing Construction Program (RHCP) financed by Propositions 77 and 84, and the Federal Home Loan Bank Affordable Housing Program.

III.A.11. The City shall consider the use of in-lieu fees to be levied on new development to provide for the development of affordable housing.

III.A.12. The City shall promote the expeditious processing and approval of residential projects that conform to *General Plan* policies and City regulatory requirements.

III.A.13. Consistent with other City objectives, the City shall ensure that its policies, regulations, and procedures do not add unnecessarily to the costs of producing housing.

III.A.14. The City shall provide for the development of secondary residential units, as required by state law, while protecting the single-family character of neighborhoods. Development of secondary residential units fronting on alleys shall be encouraged.

III.A.15. In accordance with provisions of state law, the City shall grant density bonuses of at least twenty-five (25) percent and at least one other specified incentive for qualifying projects to promote the inclusion of low- and moderate-income and senior citizen housing.

III.A.16. If below-market-rate units are included in a project pursuant to the density bonus program or other local, state, or federal requirements, the City shall require buyer/renter eligibility screening and resale/rent controls for at least 30 years to maintain affordability of the units to originally-targeted income groups.

III.A.17. Where residential units which are required to sell or rent at below-market-rates are included within a housing development, such units shall be interspersed within the development, and to the extent reasonable, shall be visually indistinguishable from market-rate units.

III.A.18. The City shall allow the installation of mobilehomes and factory-built housing on permanent foundations consistent with the requirements of state law and in accordance with the City's residential design standards.

III.A.19. The City shall work with the Stanislaus County Housing Authority in the development and administration of affordable housing programs *including housing for farm workers.*

III.A.20. The City shall promote homeownership in new housing constructed for low- and moderate-income households, where possible.

III.A.21. The City may use Community Development Block Grant (CDBG) funds in conjunction with private financial institutions to write down interest rates for home purchase or rehabilitation.

III.A.22. The City shall support the continued use of Section 8 rent certificates by Newman residents.

III.A.23. The City shall promote the establishment of a new nonprofit housing developer or work with existing nonprofit developers to help develop affordable housing.

III.A.24. The City shall work with the Stanislaus County Housing Authority, local nonprofit housing agencies, and the California Housing Partnership, in accordance with the Low Income Housing Preservation and Resident Homeownership Act of 1990, to preserve lower income housing units threatened with conversion to market-rate housing through prepayment of subsidized mortgages.

Goal III.B: To promote the maintenance, improvement, and rehabilitation of the city's existing housing stock and residential neighborhoods.

Policies:

III.B.1. The City shall promote private reinvestment in older residential neighborhoods and private rehabilitation of housing.

III.B.2. The City shall pursue all available state and federal funding assistance that is appropriate to Newman's needs to rehabilitate housing. Housing rehabilitation efforts shall be given high priority in the use of CDBG funds.

III.B.3. The City shall support the revitalization of older neighborhoods by keeping streets and other municipal systems in good repair.

III.B.4. The City shall promote the continued upkeep of existing mobilehomes.

III.B.5. The City shall require abatement of unsafe structures, giving property owners ample opportunities to correct deficiencies.

III.B.6. Existing housing occupied by very-low- or low-income households shall not be demolished without assurance of the availability of suitable alternative housing.

III.B.7. The City shall provide a process for the legalization of existing secondary residential units created without City approval.

III.B.8. The City shall promote the preservation of architecturally- and historically-significant residential structures.

Goal III.C: To encourage energy efficiency in both new and existing housing.

Policies:

III.C.1. As required by state law, the City shall require the use of energy conservation features in the design of all new residential structures. The City shall also promote incorporation of energy conservation and weatherization features in existing homes.

Goal III.D: To ensure the provision of adequate services to support existing and future residential development.

Policies:

III.D.1. The City shall work with the Newman-Crows Landing Unified School District to ensure the availability of adequate school facilities to meet the needs of projected households in Newman.

III.D.2. The City shall support the use of CDBG funds for upgrading streets, sidewalks, and other public improvements.

III.D.3. The City shall ensure that new residential development pays its fair share in financing public facilities and services.

III.D.4. Through the *Citywide Services Master Plan*, the City shall strive to ensure that necessary public facilities and services are available prior to occupancy of residential projects.

Goal III.E: To promote equal opportunity to secure safe, sanitary, and affordable housing for all members of the community regardless of race, religion, sex, marital status, national origin, or color.

Policies:

III.E.1. The City shall give special attention in housing programs to the needs of special groups, including the physically and mentally disabled, large families, farm-workers, the elderly, and families with lower incomes.

III.E.2. The City shall make available to the public information on the enforcement activities of the State Fair Employment and Housing Commission.

III.E.3. The City shall work with the County and surrounding jurisdictions to address the needs of the homeless on a regional basis.

III.E.4. The City shall cooperate with community-based organizations which provide services or information regarding the availability of services to the homeless.

Attachment "C"

III. HOUSING

The following describes specific programs that the City intends to implement during the six-year time frame of Housing Element (July 1, 1991, to June 30, 1997). For some of these programs, the description includes a target for the number of units to be produced or households to be assisted during the Housing Element time frame. The households to be assisted are listed by income categories which are defined as a percentage of the median household income for the Modesto Primary Metropolitan Statistical Area (PMSA). The 1992 median income for the Modesto PMSA, as defined by the United States Department of Housing and Urban Development (HUD), is $34,500. The target income categories and their corresponding 1992 income ranges are shown in Table III-1.

TABLE III-1

TARGET INCOME CATEGORIES
1992

Income Category	Percentage of of Median	Income Range[1]
Very-Low	0 to 50 percent	$0 to $17,250
Low	51 to 80 percent	$17,250 to $27,600
Moderate	81 to 120 percent	$27,601 to $41,400
Above-Moderate	120 percent and above	$41,401 and above

[1] These are adjusted annually based on HUD's yearly reporting of median income

III-1. The City shall work with and/or assist interested non profit and/or for profit developers who wish to rezone selected parcels within the existing city limits for medium and high density residential development to facilitate development of housing for very low- , low- and moderate income households.

Responsibility: City Council
Planning Commission
Planning Department

Time Frame: FY 92-93

III-2. The City shall work with and/or assist interested non profit and/or for profit developers who wish to rezone selected parcels within the existing city limits for medium and high density residential development to facilitate development of housing for very low- , low- and moderate income households.

Responsibility: City Council
Planning Commission
Planning Department

Time Frame: Ongoing

III-3. In accordance with the requirements of state law, the City shall revise the *Zoning Ordinance* to provide for a density bonus of at least 25 percent and at least one other incentive for residential projects of five or more units which reserve at least 20 percent of their units for lower-income households, including elderly persons and families who meet the criteria for lower-income households. The City shall work with the Stanislaus County Housing Authority in developing

procedures and guidelines for establishing income eligibility for the "reserved" units and for maintaining the "reserved" units as affordable units for at least 10 years. The City shall seek Housing Authority administration of the reserved units. The City shall establish a program to publicize the availability of the density bonus program and shall encourage prospective housing developers to use the program. Target: 20 units for very-low-income households and 40 units for low-income households.

Responsibility: City Council
Planning Commission
Planning Department
Stanislaus County Housing Authority

Time Frame: FY 92-93; 93-94

III-4. The City shall review and modify the Zoning Ordinance standards for secondary dwelling units in residential zones to address criteria concerning floor area, relationship to principal residence, required parking, and other features. Once adopted information will be published to make the community aware of the opportunities for second unit development. Target: 15 units for very-low-income households and 15 units for low-income households.

Responsibility: City Council
Planning Commission
Planning Department

Time Frame: FY 92-93; 93-94

III-5. The City shall amend the *Zoning Ordinance* to provide for the establishment of mobilehomes and mobilehome parks consistent with the requirements of state law.

Responsibility: City Council
Planning Commission
Planning Department

Time Frame: FY 92-93; 93-94

III-6. The City shall amend the *Zoning Ordinance* to allow for the development of duplexes and halfplexes on corner lots as a permitted use in single family zoning districts.

Responsibility: City Council
Planning Commission
Planning Department

Time Frame: FY 92-93; 93-94

III-7. The City shall use local, state, and federal funding sources to support new construction to meet the needs of lower and moderate-income households. The City shall solicit the assistance of local nonprofit housing developers to prepare development programs for vacant sites identified in the Affordable Housing Study. The City shall work with nonprofit developers to prepare applications to the State for Community Development Block Grant funds to acquire appropriate sites and pay predevelopment costs.

Responsibility: City Council
Planning Department

Time Frame: FY 92-93; 93-94

III-8. The City shall support and assist nonprofit developers in applying for additional funds to develop affordable housing projects. The following funding sources shall be the City's highest priority: Mortgage Revenue Bonds, HUD Mortgage Insurance Programs, Low Income Tax Credits, and State Rental Housing Construction. Target: 60 units for very-low-income households, 60 units for low-income households, and 120 units for moderate-income households.

Responsibility: City Council
Planning Department

Time Frame: FY 92-93 to 96-97

III-9. The City shall use Redevelopment Agency Tax Increment Housing Setaside to assist in the development of lower income housing. Target: 10 units for very-low-income households and 10 units for low-income households.

Responsibility: City Council
Redevelopment Agency
Planning Department

Time Frame: FY 93-94 to 96-97

III-10. The City shall work with non-profit housing developers in the development of affordable housing, by providing technical assistance, cooperation, site identification, and promotion. Target: 40 units for low-income households and 100 units for moderate-income households. (The low-income units are expected to be developed under a density bonus program and are accordingly accounted for under Program III-3)

Responsibility: City Council
Planning Department

Time Frame: FY 93-94 to 96-97

III-11. The City shall conduct a study of the feasibility of establishing in-lieu fees for new development to fund affordable housing projects.

Responsibility: City Council
Planning Commission
Planning Department

Time Frame: FY 93-94

III-12. The City may use Community Development Block Grant (CDBG) funds to subsidize on-and off-site infrastructure improvements for lower-income housing projects.

Responsibility: City Council
Public Works Department
Planning Department

Time Frame: Ongoing

III-13. The City shall use local, state, and federal funding sources to support rehabilitation of housing to meet the needs of very-low and low income households. The City shall pursue Community Development Block Grant (CDBG) funding for housing rehabilitation as its initial rehabilitation strategy. The City shall contract with the Stanislaus County Housing Authority, Self-Help Enterprises, or other appropriate entity to implement the program. Target: 10 units for very-low-income households and 10 units for low-income households.

Responsibility: City Council
Planning Department

Time Frame: FY 92-93 to 96-97

III-14. After gaining experience with its initial rehabilitation program, the City shall pursue funding from the California Housing Program--both Owner and Rental Components (CHRP-O and CHRP-R) and State Rental Rehabilitation Program (CECRP) for continued rehabilitation efforts. Target: 10 units for very-low-income households and 10 units for low-income households.

Responsibility: City Council
Planning Department

Time Frame: FY 93-94; 94-95

III-15. The City shall use Redevelopment Agency Tax Increment Housing Setaside to assist in the rehabilitation of lower income housing. Target: 10 units for very-low-income households and 10 units for low-income households.

Responsibility: City Council
Redevelopment Agency
Planning Department

Time Frame: FY 95-96; 96-97

III-16. The City shall adopt an amnesty program for the legalization of secondary units created without City approval.

Responsibility: City Council
Planning Commission
Planning Department
Building Department

Time Frame: FY 92-93

III-17. The City shall review its development standards and project review procedures and exempt affordable housing projects from these requirements as the study deems cost-effective and feasible.

Responsibility: City Council
Planning Commission
Planning Department

Time Frame: FY 92-93

III-18. The City shall post and distribute information on currently available weatherization and energy conservation programs.

Responsibility: Planning Department
Building Department

Time Frame: Ongoing

III-19. The City shall enforce state requirements, including Title 24 requirements, for energy conservation in new residential projects and shall encourage residential developers to employ additional energy conservation measures with respect to the siting of buildings, landscaping, and solar access.

Responsibility: City Council
Planning Department
Building Department

Time Frame: Ongoing

III-20. The City shall annually review and publish the city's progress toward achieving the City's fair-share housing allocation as determined by SAAG.

Responsibility: City Council
Planning Department

Time Frame: FY 92-93; annually thereafter

III-21. The City shall continue to cooperate with the Stanislaus County Housing Authority in its administration of the Section 8 rental assistance program. Target: 8 units for very-low-income households conserved; 16 units for new very-low-income households conserved.

Responsibility: City Council
Stanislaus County Housing Authority

Time Frame: Ongoing

III-22. The City shall monitor the status of subsidized housing projects at risk of conversion to market-rate housing. If a Notice of Intent or Plan of Action pursuant to the Low Income Housing Preservation and Resident Homeownership Act of 1990 is filed, the City shall actively participate in obtaining financial assistance to preserve such units. Such funding sources may include community development block grants, redevelopment tax increment funds, or purchase by a non-profit housing agency.

Responsibility: City Council
Redevelopment Agency
Planning Department

Time Frame: Ongoing

III-23. The City shall continue to promote equal housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color. To this end, the City shall establish a fair housing dissemination program, whereby the City shall publicize the complaint referral process through the local media, schools, libraries, post office, housing advocacy groups, or other appropriate institutions and organizations. To the extent feasible, this information shall be provided in both Spanish and English.

Responsibility: City Council
Planning Department

Time Frame: Ongoing

III-24. The City review and update its *Affordable Housing Study* as necessary.

Responsibility: City Council
Planning Department

Time Frame: As necessary

III-25 The City shall provide information to developers to help them become aware of the "1990-97 Basic Construction Needs" in Newman and to encourage the provision of housing affordable for lower-income households and in particular, units for large families. The information shall include a summary of adopted density bonus provisions which assists in increasing densities and development incentives available when affordable units are provided.

Responsibility: City Council, Planning Department

Time Frame: Ongoing with updates as incentive provisions are added.

III-26 The City shall incorporate provisions into its housing rehabilitation guidelines to allow room additions for severely overcrowded units.
Responsibility: City Council
Planning Department

Time Frame: FY 92-93 to 96-97

III-27 In conjunction with the City of Newman Redevelopment Agency, the Stanislaus County Affordable Housing Corporation (STANCO) and local lenders, a Down Payment Assistance Program has been established to assist very low, low and moderate income households in purchasing a home within the City of Newman. Funding for the program may include Redevelopment Agency Housing Set-Aside Funds, and HOME or CDBG funds.

Responsibility: City Council/Redevelopment Agency

Time Frame: Ongoing

III-28 Credit Certificates allow first-time homebuyers to take up to 20 percent of their annual mortgage interest as a dollar-for-dollar tax credit against their federal income tax. Certificates are issued by the Stanislaus County Housing Authority

Responsibility: Stanislaus County Housing Authority

Time Frame: Ongoing

Quantified Objectives

Table III-2 summarizes Newman's quantified objectives for the period June 30, 1991, to July 1, 1997. These quantified objectives represent a reasonable expectation for the new housing units that will be developed and households that will be assisted between 1991 and 1997 based on the policies and programs outlined in this section and general market conditions. Table III-2 also shows the estimated total new construction need for Newman to July 1997 as provided by the Stanislaus Area Association of Governments (SAAG).

TABLE III-2

QUANTIFIED OBJECTIVES
June 30, 1991 - July 1, 1997

NEW CONSTRUCTION

Income Level	General Plan Objective	New Construction Need[1]
Very-Low	105[2]	312
Low	200[2]	221
Moderate	400[3]	273
Above Moderate	600	494
Total	**1,305**	**1,301**

REHABILITATION

Income Level	Grants and Loans
Very-Low	30[4]
Low	30[4]
Total	**60**

HOUSING CONSERVATION

Income Level	Section 8 Rental Assistance	Housing Authority Units
Very-Low	24 households[5]	16 units[6]
Low		
Total		

1 *Housing Needs Report*, Stanislaus Area Association of Governments, adopted February 13, 1991.
2 Includes 105 units for very-low-income households and 125 units for low-income households based on Programs III-3, III-4, III-8, III-9, and III-10.
3 Includes 220 units for moderate-income households based on Programs III-8 and III-10.
4 Includes 30 units for very-low-income households and 30 units for low-income households based on Programs III-13, III-14, and III-15.
5 Based on Program III-23.
6 Existing Housing Authority units.

IX. ADMINISTRATION

IX-1. The Planning Commission shall review the *General Plan Policy Document* every year, focusing principally on actions undertaken in the previous year to carry out the implementation programs of the Plan. The Planning Commission's report to the City Council shall include, as the Commission deems appropriate, recommendations for amendments to the *General Plan*. This review shall also be used to satisfy the requirements of *Public Resources Code* §21081.6 for a mitigation monitoring program.

Responsibility: Planning Commission
Planning Department

Time Frame: FY 93-94; annually thereafter

IX-2. The City shall conduct a major review of the *General Plan,* including the *Policy Document* and *Background Report*, at least every five years and revise it as deemed necessary.

Responsibility: City Council
Planning Commission
Planning Department

Time Frame: FY 97-98; every five years thereafter

IX-3 The City shall review any proposed regulatory requirements in light of goals and policies of the General Plan and in particular, weigh the benefits of such requirements against their potential effect on the cost of housing and the City's policies to promote affordable housing.

Responsibility: City Council
Time Frame: Ongoing